

FY 2004 Budget as Enacted Table of Contents

	<u>Page</u>
Overview	1
All Sources	16
All Expenditures	17
General Revenues	18
General Revenue Expenditures	19

Schedules

General Revenues	20
General Revenue Changes to Adopted Estimates	21
Total Statewide Expenditures	23
Expenditures from All Funds	24
Expenditures from General Revenues	26
Expenditures from Federal Grants	28
Expenditures from Restricted Receipts	30
Expenditures from Other Funds	32
Full-Time Equivalent Positions	34
General Revenue Budget Surplus Statement	36

FY 2003 Budget

Changes to FY 2003 Enacted General Revenue Budget	37
Changes to FY 2003 Enacted General Revenue Expenditures	38

Aid to Cities & Towns/Schools

Formula Aid to Cities and Towns	63
Fiscal Year 2003 Formula Aid to Cities and Towns	64
Education Aid	65
Education Aid to Local Units of Government	66

Overview

Enacted Appropriations

The FY 2004 Budget was enacted by the General Assembly under 03-H-6174, Substitute A, as amended, and became law on July 15, 2003 after an override of the Governor's veto. The Governor vetoed the budget because many of his proposals to reduce the structural deficit were not adopted by the General Assembly. The Budget was amended further by 03-H-6596 which modified the budget of the Department of Environmental Management.

Fiscal Year 2004 appropriations from all funds total \$5,740,558,949, an increase of 4.0 percent from the revised FY 2003 all funds appropriation level. General revenue appropriations total \$2,783,776,459, an increase of 3.1 percent from the revised FY 2003 general revenue appropriation level. Major components of the \$84.7 million net change in general revenue appropriations reflect: increases in local and education aid of \$44.6 million, in debt service of \$16.3 million, in higher education programs of \$7.5 million, and in courts and corrections agencies of \$8.9 million. Federal funds total \$1,837,498,843, reflecting an increase of approximately \$108.3 million over FY 2003. This change includes an increase of \$49.8 million in Medicaid matching funds for human services program, primarily due to a temporary increase from the Jobs and Growth Tax Relief Reconciliation Act of 2003, and \$20.2 million in anti-terrorism grants to the Military Staff/ Emergency Management agency. Restricted receipts total \$144,636,954, an increase of \$25.3 million, primarily for transportation projects. Other funds total \$974,646,693, an increase of \$4.4 million, with a \$9.7 million increase for transportation.

Resource Changes from the Governor's Recommended Budget

The Governor's original proposed budget was based upon the November 2002 and January 2003 Revenue Estimating Conferences' general revenue estimates of \$2.672 billion, and \$138.7 million in proposed revenue changes. The budget as enacted is based upon the May 2003 Revenue Estimating Conference's general revenue estimates of \$2.650 billion, and additional revenues of \$155.7 million attributable to changes to existing law and other adjustments.

The enacted budget is based upon total FY 2004 general revenue receipts of \$2.805 billion. Enacted FY 2004 general revenue receipts are \$5.7 million less than the budget originally proposed by the Governor. Some of the major revenue *increases* included in the enacted budget but not included in the Governor's budget are:

- \$50.0 million in temporary state fiscal relief received as a result of the passage of the federal Jobs and Growth Tax Relief Reconciliation Act of 2003, which is reflected as a general revenue receipt in the legislatively adopted budget;
- \$10.4 million in health care provider assessments resulting from an increase in the tax rate on nursing home providers and an increase in the group homes provider tax base;
- \$7.2 million in higher cigarette tax and sales tax revenues due to the increase in the state's cigarette tax to \$1.71 per pack on July 1, 2003; and
- \$5.0 million in a transfer of funds from the Rhode Island Student Loan Authority.

The major revenue *decreases* in the enacted budget relative to the Governor's budget are:

- \$20.8 million in lottery revenues due to the General Assembly not fully accepting the Governor's proposal to reallocate video lottery net terminal income more favorably for the state; and

Overview

- \$22.6 million net reduction in general revenues estimated by the May 2003 Revenue Estimating Conference.

The opening surplus of \$35.7 million increases available resources by \$21.2 million compared to the Governor's proposal which contained an opening surplus of \$14.5 million. The amount of \$56.8 million will be transferred to the Budget Reserve and Cash Stabilization Fund pursuant to Rhode Island General Law 35-3-20. After this transfer, there is \$2.784 billion available for appropriation.

***Expenditure
Changes from
Governor's
Recommended
Budget***

The enacted FY 2004 expenditure budget is \$109.7 million greater than the budget recommended by Governor Carcieri on March 5, 2004. General revenue funds increase by \$14.9 million. The major items in the general revenue change are: increases of \$3.8 million to restore general revenue sharing and distressed aid to local communities, \$15.0 million more for aid to local education, and \$6.4 million to restore teacher retirement contributions, \$27.7 million for Human Services agencies, primarily for caseload adjustments and entitlement initiatives (less \$41.2 million from increased federal Medicaid matching rates), \$6.8 million to restore increased state employee retirement rates proposed by the Governor, \$2.2 million for expansion in the Courts and the Attorney General, \$1.5 million for expansions for E-911, Military Staff, and the Fire Marshal, \$2.5 million to record renewable energy assessments as general revenues, and reductions of \$6.9 million for debt service and \$4.4 million for the Department of Correction's inmate population.

***Jobs and
Growth Tax
Relief
Reconciliation
Act of 2003***

The enacted budget incorporates the use of the monies made available to the State when President Bush signed into law the *Jobs and Growth Tax Relief Reconciliation Act of 2003* (JGTRRA of 2003) on May 28, 2003. The JGTRRA of 2003 provided the State with \$101.8 million in temporary fiscal relief for the FY 2003 – FY 2004 period. This temporary fiscal relief is comprised of a reduction in the State's share of Medicaid benefit expenditures and flexible cash grants from the Federal Government.

Title IV—Temporary State Fiscal Relief of US Public Law 108-27—May 28, 2003 provides the federal authorization for the State to offset state Medicaid expenditures by increasing the Federal Medical Assistance Percentage rate (FMAP) by 2.95%. Essentially, this increase in the FMAP lowers the state's share of Medicaid benefits expenditures from 43.97% to 41.02% and increases the federal share of Medicaid benefits expenditures from 56.03% to 58.98% over the FY 2003 – FY 2004 period. The cost savings to the State from this temporary increase in the FMAP is \$10,622,702 in FY 2003 and \$41,204,326 in FY 2004. The State's share of Medicaid benefit expenditures are made from general revenues, so these cost savings translate into more general revenues being made available for other purposes. The State's receipt of this money required no further action on the part of the Governor or the General Assembly.

In addition to the FMAP change, the JGTRRA of 2003 provided further temporary state fiscal relief via Title VI—Temporary State Fiscal Relief of US Public Law 108-27—May 28, 2003. This provision appropriated federal monies to the states in order to "provide essential government services" or to "cover the costs of complying with any [applicable] Federal intergovernmental mandate" for which "the Federal Government has not provided funds to cover the costs." In order to receive these monies, each state was required to "provide the Secretary of the Treasury with a certification that the State's

Overview

proposed uses of the funds” was consistent with these provisions. Governor Carcieri signed the necessary certification and forwarded it to the Secretary of the Treasury on June 25, 2003. The State will receive \$50.0 million in flexible grant monies from the Federal Government in the FY 2003 – FY 2004 period. For purposes of the enacted budget, these funds are reflected as general revenue receipts. It is possible that these funds may need to be linked to a state expenditure for federal audit purposes.

Federal Jobs and Growth Act of 2003

Jobs and Growth Act of 2003	FY 2003	FY 2004
FMAP Expenditure Changes		
DCYF	(1,140,662)	(2,841,775)
Elderly Affairs	(14,197)	(82,363)
Health	(55,176)	(178,302)
Human Services	(6,161,256)	(27,340,504)
Mental Health, Retardation and Hospitals	(3,232,647)	(10,737,310)
Child Advocate	(1,822)	0
Elementary and Secondary Education	(16,402)	(24,072)
Subtotal – Expenditures	(10,622,702)	(41,204,326)
Revenues		
Jobs and Growth Act of 2003 Flexible Grant		50,000,000
Subtotal – Revenues		50,000,000

***The Jobs
Agenda***

In his FY 2004 budget, the Governor set an ambitious goal of creating 20,000 jobs in his first term. In furtherance of this goal, the Governor proposed a multi-faceted *Jobs Agenda*, consisting of three major policy areas and three specific proposals for each policy area. The major policy areas focused on by the Governor were improving the quality of the State’s workforce, developing a coherent economic development policy, and positioning Rhode Island to be a leader in the new economy. The Governor proposed spending \$11.0 million in FY 2004 on his *Jobs Agenda*. The General Assembly provided financing for over 90 percent of the Governor’s request.

In the area of improving the quality of the State’s workforce, Governor Carcieri focused on increasing the State’s adult literacy rate, making higher education more affordable for Rhode Islanders, and providing a job training program for the State’s burgeoning biotechnology industry. The Governor’s proposed FY 2004 budget provided \$1.4 million more for adult literacy programs, \$5.0 million more for the Rhode Island Higher Education Assistance Authority, and \$300,000 more in Rhode Island Capital Funds on the preliminary work needed for the construction of a \$10.0 million state-of-the-art biopharmaceutical manufacturing training facility. The General Assembly agreed with the Governor’s proposals in this area and fully funded his request.

In the area of developing a coherent economic development policy, Governor Carcieri focused on creating a state matching grant fund for city and town economic development initiatives, changing the state’s licensing fee for the issuance of new shares in a company, and altering the corporate income tax

Overview

apportionment formula for Rhode Island manufacturers. The Governor's proposed FY 2004 budget provided \$500,000 for the proposed state matching grant fund, made the licensing fee for issuing new shares in a company a flat \$160 for up to 75,000,000 shares, and reduced manufacturers corporate income tax liabilities by \$2.0 million in the 2004 tax year. The General Assembly agreed with the Governor's proposals in this area and fully funded his request.

In the area of positioning Rhode Island in the new economy, Governor Carcieri focused on allowing public university professors to profit from their research, providing additional monies for the preliminary work needed for the construction of a biotechnology research center at the University of Rhode Island, and increasing funding for the Samuel Slater Technology Fund. The Governor's proposed FY 2004 budget included a change to the State's Ethics Code to provide public university professors with a financial incentive to commercialize their research findings, increased by \$300,000 the monies dedicated for architectural and engineering work needed for the construction of a \$50.0 million Center for Biotechnology and Life Sciences at URI, and increased funding for the Slater Fund by \$2.5 million so that more start-up companies could receive seed monies. The General Assembly agreed in principle with all of the Governor's proposals but increased the Slater Fund's seed money by only \$1.5 million rather than the \$2.5 million requested by the Governor.

<i>Local Aid</i>

The General Revenue Sharing program distributes a percentage of total state tax revenues as general state aid to cities and towns. In the enacted FY 2003 budget, the planned increase from 2.4 percent to 2.7 percent was delayed by one year.

The Governor's FY 2004 budget proposal funded each community at the same level, and proposed that payments in FY 2005 and thereafter would be fixed at 2.6 percent of the second prior year. The FY 2004 enacted budget includes \$51.4 million to fully fund this program at the required level of 2.7 percent, and maintained the existing schedule which reaches 4.7 percent by FY 2010. This is an increase in FY 2004 of \$3.1 million over FY 2003 funding. As part of the enacted appropriations act, the General Assembly amended the General Revenue Sharing statute to revise the calculation of the distribution formula. Under prior legislation, data from the most recent census was used as part of a formula to determine the distribution of funds by community. The revised legislation requires a blending of data from both the 1990 and 2000 census be used in the formula in future years, with the share from each census changing annually until 100 percent of the 2000 census is used. The purpose of this change was to lessen the negative impact of the transition from using the 1990 census data, which was still being used in calculating the FY 2003 distributions, to using the 2000 census data would have had on some communities.

Funding for aid to local libraries increases by \$954,115 to \$7.5 million, this equals the state's obligation to finance 25 percent of local library expenditures. The FY 2004 appropriations act also amends the legislation governing the state library aid program to allow the Providence library to include its endowment funding as part of the total funding to be matched by the state. This change accounted for \$654,835 of the overall increase in library aid. In addition, funding for library construction aid increased by \$325,700 to \$2.5 million to finance anticipated obligations under this program in FY 2004.

The Distressed Communities Relief Fund is financed in the enacted budget at \$7.5 million. This funding is based upon a combination of \$5.0 million from video lottery terminal proceeds and the one-third of the state's collections from the real estate conveyance tax, which are estimated to total \$2.5

Overview

million in FY 2004.

The Payment-in-Lieu-of-Taxes (PILOT) program is funded at \$21.7 million, an increase of \$3.6 million from the FY 2003 enacted level, and will fully fund the legislatively-mandated reimbursement rate of 27 percent of local taxes.

The FY 2004 budget continues to provide funding for the Property Revaluation Program, which reimburses cities and towns for legislatively mandated property revaluation on a per parcel basis. Funding in FY 2003 totals \$2.2 million.

The FY 2004 budget fully funds the Motor Vehicle Excise Tax Phase-out program at the \$4,500 exemption level. The Governor recommended, and the Legislature adopted, elimination of the annual inflation rate increase applied to this program. Total funding for this program is enacted at \$104.3 million.

<p><i>Affordable Housing Initiative</i></p>
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The enacted budget includes \$5.0 million in general revenue funding for the Neighborhood Opportunities program. This funding will build upon the \$10 million in debt issued for FY 2002 and FY 2003 to address housing and revitalization needs of the state's deteriorating neighborhoods. The FY 2004 enacted budget also continues funding of \$3.3 million for the Housing Resources Commission. These funds are primarily targeted to lead hazard abatement activities, in addition to supporting the commission in its efforts to increase affordable housing in the state.

<p><i>General Government</i></p>

The FY 2004 enacted budget for the Department of Administration totals \$518.9 million, including \$409.0 million of general revenues, \$38.5 million of federal funds, \$9.1 million of restricted receipts, and \$62.3 million of other funds. The department's FY 2004 general revenue budget reflects an increase of \$38.0 million, or 10.2 percent, over the FY 2003-revised budget. State aid payments to local communities totaling \$195.0 million comprise the largest portion of the general revenue budget, followed by \$85.0 million for debt service payments. The department's budget includes additional funding for several of the Governor's Jobs Agenda initiatives including \$1.5 million for the Slater Centers of Excellence, \$500,000 for a Community and Town Development fund at the Economic Development Corporation and planning funds of \$300,000 for a Bio-Technology Training Laboratory. The enacted budget also includes \$950,000 for a customer service initiative at the Registry of Motor Vehicles. This is \$150,000 more than requested by the Governor and also includes the addition of 6.0 new FTE positions. An additional \$1.0 million is included in FY 2004 for the Office of Library and Information Services to be used by the state's Chief Information Officer for investment in technology projects. The general revenue budget also includes an additional \$2.5 million as a result of a shift in funding source by the General Assembly for the Renewable Energy Program. The Governor's budget recommended that the surcharge funds collected to support this program be deposited as restricted receipts, but the General Assembly converted this to a general revenue funded account and thus all future revenues will be deposited into the state's general fund.

In FY 2004, the Department of Administration's authorized FTE level of 1,261.2 is 18.0 lower than the FY 2003 revised level, reflecting 24.0 fewer FTE positions based upon the Governor's allocation of a

Overview

157.0 FTE position reduction as part of a statewide hiring freeze included in the enacted budget, offset by the 6.0 additional FTE positions at the Registry of Motor Vehicles.

The FY 2004 enacted general revenue budget for the Department of Business Regulation of \$9.7 million increases \$183,602 from the revised FY 2003 budget of \$9.5 million. Increases include \$315,000 for a restoration of 5.0 FTE positions, four as recommended by the Governor and one by the Legislature, \$371,940 for fringe benefits adjustments including a Blue Cross settlement, and \$135,757 for a reduction in planned employee turnover, while decreases include \$149,095 for a statewide hiring freeze implementation and a reduction of \$489,000 for the one-time implementation costs for the federal Gramm, Leach, Bliley Act.

The FY 2004 enacted budget for Labor and Training totals \$425.4 million, including \$7.9 million of general revenues, \$31.8 million of federal funds, \$25.1 million of restricted receipts, and \$360.5 million of other funds. The department's FY 2004 general revenue portion of the budget reflects an increase of \$1.1 million, or 16.3 percent, over the FY 2003 revised budget. The department's general revenue budget includes an additional \$1.4 million for adult literacy programs, which is partially offset by reductions of \$482,244 for personnel expenditures. In FY 2004, the department's authorized FTE level of 536.7 is 2.0 less than the level authorized for FY 2003, reflecting the transfer of 1.0 position associated with testing public metering devices to the Public Utilities Commission and a reduction of 1.0 position due to the statewide hiring freeze. A total of \$348.8 million of the department's \$425.4 million budget is budgeted Temporary Disability Insurance and Unemployment Insurance income support payments.

The enacted budget for the Secretary of State includes total expenditures of \$13.4 million in FY 2004, including \$4.6 million of general revenue, \$0.5 million in restricted receipts and \$8.3 million in Federal Funds. The general revenue recommendation represents a reduction of \$1.35 million from the FY 2003 revised recommendation. This primarily reflects expenditures in FY 2003 for the primary and general election cycle not required in FY 2004 and a shift of optical scan lease costs to Federal HAVA funds. It also represents a shift of \$200,000 of expenditures in the Archives program from general revenues to restricted receipt funding sources. The Office of the Secretary of State will be working in concert with the Board of Elections to implement federal election reform legislation or "HAVA", (Help America Vote Act). Some of these reforms will include; replacement of voting equipment, development of provisional balloting, creation of a central voter registry and poll worker training initiatives.

The total FY 2004 Board of Elections budget of \$2.3 million finances the operating requirements of the Board, including \$0.9 million in federal funding for optical scan lease payments relating to a national election reform initiative, The Help America Vote Act, and \$1.4 million in general revenues. The FY 2004 enacted general revenue appropriation represents a reduction of approximately \$1.7 million from the revised FY 2003 budget. The reduction reflects the fact that costs were budgeted in FY 2003 for the Primary and General Elections, in addition to funding the State's Optical Scan Lease contract with general revenues. The operating budget includes full and part-time personnel costs, as well as leased equipment and vendor payments for the optical scan ballot system. A total of 15.0 FTE positions are recommended for the board in FY 2004. The Board of Elections will be working in concert with the Secretary of State's Office to implement these and other requirements of the Federal election reform legislation passed in 2002.

Overview

For the Rhode Island Ethics Commission, the Legislature authorizes total FY 2004 expenditures of \$942,594, all of which is general revenue. This level of authorized expenditure is \$40,573 or 4.5 percent more than the level authorized for FY 2003. This increase from the FY 2003 final authorization reflects current service costs for FY 2004. The Legislature authorizes a ceiling for full time equivalent positions of 9.0, which is unchanged from the FY 2003 final authorized ceiling.

For FY 2004, the General Assembly authorizes total expenditures of \$5.9 million for the Public Utilities Commission. This authorized level of funding comprises of \$693,237 in general revenue, \$70,277 in federal funds, and \$5.1 million in restricted receipts. Compared to final FY 2003 authorization, it is \$254,099 or 4.5 percent higher. Restricted receipts expenditures are increased by \$250,022 accounting for 98.3 percent of the total increase from FY 2003 final authorization. The increase is primarily due to payroll current service requirements and the addition of two FTEs. The Legislature authorizes 45.0 FTEs for FY 2004, 2.0 FTEs more than the final FY 2003 authorized ceiling.

<i>Human Services</i>

The FY 2004 budget for Department of Children, Youth and Families totals \$234.6 million. This budget is comprised of \$136.3 million in general revenues, \$96.2 million of federal funds, and \$2.0 million in restricted receipts. The department's general revenue budget reflects a decrease of \$4.1 million (3.9 percent) from the FY 2003 general revenue budget. Of this decrease, \$2.8 million represents Medicaid costs being transferred to federal funding. This transfer results from a change in the Federal Matching Assistance Percentage rate (FMAP) due to the Jobs and Growth Tax Relief Act. Other program changes within the DCYF budget include an expansion of Residential Counseling Centers (RCC's) slots by sixteen. Residential Counseling Centers provide a variety of therapeutic and clinical services in a group home setting. These new slots will be utilized for children currently in psychiatric hospitals. It is anticipated that this will result in savings of \$2.1 million for the department. The enacted budget reflects the Governor's recommendation to eliminate Children's Intensive Services (CIS) for non-Medicaid eligible children. The original savings from this recommendation were \$1.3 million; however, the Legislature added back \$200,000 for CIS funding such that services would be in place in order to allow additional time for affected children to be moved to third-party insurance plans. The enacted general revenue budget also includes \$300,000 for a new child placement assessment program and restored general revenues of \$800,000 for targeted case management services, which will likely not receive federal reimbursement.

The enacted budget for FY 2004 for the Department of Human Services totals \$1.514 billion, including \$623.3 million general revenue expenditures. This includes a net addition from revised FY 2003 levels of \$1.3 million general revenues for Medicaid costs. A total of \$825,548 of this amount is for the state share of maximizing claiming opportunities for uncompensated care hospital payments. Net savings compared to FY 2003 levels from enhanced federal Medicaid participation authorized in the Jobs and Growth Tax Relief Reconciliation Act are \$30.6 million; final appropriations thus represent underlying growth of \$72.4 million for benefits, exclusive of uncompensated care changes. This growth recognizes caseload conference adopted estimates, modified by several initiatives. Initiatives reducing Medicaid costs include modification of certain eligibility, claiming and purchasing procedures to sustain delivery of services to eligible clients in the most cost-effective manner, an initiative to assume

Overview

direct management of prescription purchases for managed care clients, and elimination of adult Medicaid retroactive eligibility. Increased general revenue appropriations for Medicaid included \$9.7 million for expanded payments to nursing care facilities, and \$650,000 for hospital emergency room reimbursements.

The General Assembly authorizes total expenditures for the Department of Health of \$109.0 million in the FY 2004 budget, including \$34.1 million in general revenue, \$64.2 million in federal funds, \$10.6 million in restricted receipts and \$73,426 in other funds. This represents a decrease of \$88,739 or 0.1 percent in total funds authorized from the FY 2003 revised budget. General revenues are reduced by \$348,832 from the FY 2003 revised level. This reduction primarily reflects the elimination of 4.0 FTE positions and state relief from the Federal Jobs and Growth Act of 2003, which increased the federal share of Medicaid costs by 2.95 percent in FY 2004, corresponding to a similar decrease in the state's share. The General Assembly authorized total full-time equivalent positions of 502.9 or four FTE's less than the authorized level for FY 2003.

The FY 2004 enacted budget for the Department of Elderly Affairs totals \$42.2 million, including \$27.6 million of general revenues, \$9.8 million of federal funds, and \$4.7 million of other funds. The department's FY 2004 general revenue budget reflects an increase of \$860,342 over the FY 2003 revised budget, which is attributable to a restoration of community service grants. Federal funds decrease by \$1.4 million from the FY 2003 revised levels and are attributable to the use of previous years' carry forward balances. Other funds in the FY 2004 enacted budget increase by \$50,000, reflecting anticipated activity in the Transportation program which utilizes dedicated gas tax proceeds.

The FY 2004 enacted budget for Mental Health, Retardation and Hospitals totals \$450.1 million, including \$209.6 million of general revenues, \$237.9 million of federal funds, \$2.6 million of Rhode Island Capital Plan Funds and \$75,000 of restricted receipts. The general revenue portion of the budget reflects a decrease of approximately \$8.9 million, or 4.1 percent, from the FY 2003 revised level. The net change from FY 2003 to FY 2004 would appear to indicate significant general revenue reductions, however, approximately \$10.7 million of general revenue Medicaid costs can be reassigned to federal funds as a result of the change in the Federal Matching Assistance Percentage rate (FMAP) due to the Jobs and Growth Tax Relief Act. The Governor's general revenue recommendations did however include several specific program reductions including the closure of two wards in the Eleanor Slater Hospital and the elimination of some prevention-based funding in the Division of Mental Health Services. The enacted budget also included an expansion of the Group Home Provider Tax; this tax will be applied to all 24 hour-per-day residential services provided through a licensed facility. The budget provides for 2,021.7 FTE positions for FY 2004.

<i>Education</i>

The FY 2004 enacted general revenue appropriations for the Department of Elementary and Secondary Education increased \$33.1 million from revised FY 2003 levels to a total of \$776.6 million. Of this increase, \$20.3 million is attributable to aid to local school districts, including \$1.2 million for Central Falls. An additional \$7.4 million is attributable to increases in teacher retirement obligations, while \$2.5 million is for Local School Construction. The total increase in local aid is \$30.2 million.

Funding for the Metropolitan Career and Technical School increases by \$1.8 million from the revised FY 2003 level. This reflects increased enrollment due to the opening of new schools at the main campus.

Overview

Funding for the School for the Deaf and for Davies Career and Technical School increased \$97,885 and \$615,365, respectively. Funding for the operations of the department increased in FY 2004 from \$14.5 million in the revised FY 2003 budget to \$14.9 million in FY 2004, an increase of \$385,050.

For public higher education, the FY 2004 general revenue budget of \$172.1 million is \$2.5 million more than the revised FY 2003 appropriations for all personnel, operating, aid, and capital requirements at the State's three schools of higher learning: the University of Rhode Island, Rhode Island College, the Community College of Rhode Island, and at the Office of Public Higher Education. Increases include \$5.0 million for fringe benefits adjustments including a Blue Cross settlement, \$0.4 million for the startup of a biotechnology training program, and decreases of \$2.9 million for personnel and operations, including implementation of a statewide hiring freeze. The enacted FY 2004 budget includes \$12.4 million in RI Capital Plan funds of which \$8.8 million is for asset protection, \$0.3 million is for the University's Biological Science Center planning, and \$3.3 million is for repairs at Alger Hall and the DCYF Facilities at Rhode Island College. For FY 2004, the Legislature continued an exemption, initiated in FY 2001 for Higher Education FTE authorization limits for those positions established by the Board of Governors whose incumbents are performing research financed by a third party. This results in an exemption from authorization of an estimated 319.8 FTE's in FY 2004. An additional net adjustment of 10.7 FTE positions was made for 6.7 positions transferred from the Surrogate Parent Program into Rhode Island College from the Child Advocate, for 5.0 FTE positions added for children with disabilities programs at Rhode Island College and a reduction of 1.0 FTE position, transferred from Rhode Island College to the Department of Environmental Management.

The FY 2004 general revenue budget of \$11.0 million for the Rhode Island Higher Education Assistance Authority increases by \$5.0 million from the revised FY 2003 budget of \$6.0 million. The enacted budget increased scholarship grants by \$5.0 million and personnel and operating by \$42,616, of which \$32,487 is for fringe benefits including a Blue Cross settlement. Federal funding of \$353,370 for the scholarship incentive grants based upon need, requires state matching funds, which will be satisfied by the increased appropriation and possibly by increased scholarship credits from the state colleges.

The FY 2004 enacted general revenue budget for the Rhode Island Public Telecommunications Authority totals \$1.2 million. This is a reduction of \$95,463 from the revised FY 2003 level. Also included in the FY 2004 budget is \$2.3 million in Rhode Island Capital Plan Funds to enable the Authority to meet FCC guidelines for the conversion of Channel 36's signal from analog to digital.

<i>Public Safety</i>

The FY 2004 enacted budget finances \$155.8 million in total expenditures for the Department of Corrections, including \$140.1 million in general revenue. The budget finances the third of four retroactive compensation payments to correctional union members, as well as benefit adjustments for all employees.

The FY 2004 budget assumes an inmate population average of 3,500, representing 3,400 state inmates and 100 Immigration and Naturalization Service detainees. To conform to these population assumptions, the enacted budget includes funding for a reduced level of some population-related operating costs, as well as reduced overtime. This is partially offset by funding increases in prescription medications and other medical costs. The budget also reflects the partial offset of expenditures to revenues generated from housing additional federal detainees, as well as statewide reductions in personnel expenditures due to hiring freeze adjustments. The department will continue to

Overview

take temporary steps to reduce staffing requirements and shift populations in two facilities. For FY 2004, the department contemplates continued module closures to realize overtime savings from the reduction of posts, and population transfers into Maximum and Minimum Security. The department has also committed itself to a more efficient process of filling existing posts, and has not included a pre-service or training class for Correctional Officers.

The FY 2004 enacted budget for the Judiciary is \$78.9 million, including \$67.8 million in general revenues. The Judiciary's general revenue budget for FY 2004 is 6.2 percent higher than FY 2003, and finances an additional unspecified 12.8 FTE's. Since FY 2001, the Judiciary's authorized FTE level has increased by 34.5 positions, or 4.9 percent. To finance the additional positions and statewide adjustments in FY 2004, the enacted budget includes additional general revenues of \$3.4 million for payroll costs. The FY 2004 enacted budget also provides an additional \$300,000 for the Indigent Fund, \$175,000 for a grant to Rhode Island Legal Services, and \$343,365 for judicial pensions.

The FY 2004 budget for the Military Staff includes \$22.0 million in federal funds for homeland security. Both the past (FY 2002) grant and the upcoming (FY 2004) grants will be used to train emergency personnel for response to terrorist attacks, and to conduct simulated disaster exercises. Emergency response equipment, including interoperable communication equipment, hazardous material suits and chemical and biohazard testing equipment, will be purchased for state and local police and fire first responders. The grants will also fund additional FTE's who will coordinate and manage program activities. The FY 2004 federal funds budget also includes funds to compensate the state, municipalities and non-profit agencies for the costs of snow removal during the President's Day storm. The FY 2004 general revenue budget of \$2.8 million includes funds for maintenance contracts for state armories, as well as full funding for state personnel and operating expenditures required to manage the Homeland Security program. The FY 2004 general revenue enacted budget includes funds for the establishment of a state of the art distance learning resource center that will enable soldiers and others to receive professional development programs through distance learning. The FY 2004 general revenue budget includes funding for personnel that includes both benefit adjustments and a hiring freeze reduction.

For the E-911 Emergency Telephone System, the FY 2004 general revenue budget is \$4.4 million. This amount is \$342,058 higher than the revised FY 2003 budget. The enacted budget provides additional funds to hire three more telecommunicators (\$337,818) and upgrade computer hardware and software (\$220,135). These increases are partially offset by reductions of \$215,895 for purchased services, most of which is associated with GIS database development. The enacted budget provides a total of \$136,000 for GIS database development to complete coding of East Providence and Newport. The enacted budget increases the agency's FTE authorization from 47.6 to 50.6 positions.

The FY 2004 general revenue budget for the State Police totals \$40.6 million. This is \$2.0 million greater than the revised FY 2003 budget passed by the General Assembly. The budget contains \$890,014 in personnel cost increases, including testing costs related to a new trooper class to begin in FY 2005. The State Police budget also includes increases for pension costs of \$590,412, and for patrol vehicles of \$170,000.

The FY 2004 general revenue budget for the Attorney General totals \$16.6 million, \$500,000 more than the revised FY 2003 budget. The budget contains \$287,000 additional expenses attributable to the

Overview

investigation of the Station Fire in West Warwick. The FY 2004 general revenue budget for the State Fire Marshal totals \$1.7 million, \$324,586 more than the revised FY 2003 budget. The budget includes \$400,000 for 6.0 new FTE positions and no personnel turnover in response to the Station Fire in West Warwick, offset by one-time vehicle cost and personnel and operating savings.

The FY 2004 all-funds budget for the Rhode Island Justice Commission is \$6.0 million, including \$5.7 million in federal funds for juvenile and delinquency prevention programs and increased Byrne Memorial Grant funding to local police departments.

***Natural
Resources &
Environmental
Protection***

The enacted FY 2004 budget for the Department of Environmental Management is \$72.1 million, including \$31.7 million of general revenue funds, \$25.9 million of federal funds, \$10.0 million of restricted receipts, and \$5.0 million of other funds.

The FY 2004 enacted general revenue budget for the Department of Environmental Management decreases from FY 2003 revised levels by \$697,200. This reflects primarily the one-time reappropriation of \$500,315 for the Rose Hill Superfund Project in FY 2003 only. Appropriation levels include the reduction of funding for 11 FTEs for \$785,567 department-wide. The FY 2004 enacted budget adds federal funds in the amount of \$2.2 million in Environmental Management for new federal awards including a Commercial Fisherman's Trust (\$1.5 million); the Yellowtail Flounder project (\$761,912); and preparation of the Comprehensive Wildlife Management Plan (\$50,098). Restricted Receipts in the FY 2004 enacted budget increase by \$508,455 from the FY 2003 revised level in Environmental Management. The increase reflects revenues from a new commercial fishing license structure (\$291,741); revenues from a new hazardous waste generator fee (\$615,211); \$40,000 in expenditure ceiling for two new accounts to accept bequeaths and gifts for environmental projects, and; a reduction of \$426,700 in restricted receipt financing for underground storage tank projects based on completion of those projects. In the FY 2004 enacted budget, RICAP funding, totaling \$3.7 million for Environmental Management, finances projects for recreational facilities, Boyd's Marsh restoration, state-owned dam repair and the state pier at Galilee.

For the Coastal Resources Management Council, general revenue expenditures are reduced by \$47,818 for vacancy adjustments and allocation of personnel costs to federal funds. Federal Funds in the Coastal Resources Management Council are reduced \$935,943 from the FY 2003 revised level to reflect reduced federal award for the Coastal Zone Management Program. Restricted Receipts in Coastal Resources Management Council reflect continuing work on the Providence River Dredging Project, for a total project cost of approximately \$9.0 million with a corresponding decrease from the Department of Environmental Management's restricted receipts over the two-year project period. RICAP funding is included for the Coastal Resource Management Council for \$968,267 for the South Coast Habitat Restoration Project.

In the Water Resources Board, \$116,274 is reduced from the FY 2003 enacted level, reflecting offsets of personnel and operating costs to restricted receipt sources.

Transportation

For FY 2004, the State's gasoline tax will remain constant at 30.0 cents per

Overview

gallon; however, the allocation of this revenue will be altered. This change and the overall distribution plan are reflected in the chart below. The most notable change in the distribution will be an additional six tenths of one cent of the gas tax transferred to the Rhode Island Public Transit Authority. This additional funding equates to approximately \$2.8 million. Based on the May 2003 Revenue Estimating Conference, each cent of the state's gasoline tax is estimated to generate \$4.7 million in revenue in FY 2004.

Both DOT and RIPTA will experience savings in debt service costs through general obligation debt defeasance resulting from the state's tobacco securitization agreement, as well as from other debt refinancing. RIPTA debt service savings in FY 2004 will total \$489,513. The \$9.5 million savings realized in FY 2004 by DOT will provide a funding source for the 2 cents of gas tax that will be pledged towards repayment on the state match bonds which will provide funds along with the GARVEE bonds for much needed projects.

In order to address major infrastructure needs facing the state in the near future, the DOT will initiate an innovative funding approach to meet the significant financial costs associated with these essential projects. The department will participate in a federally approved program (GARVEE Bonds) which allows states to borrow against future federal funds. This borrowing does not pledge the credit of the state. The debt service associated with this borrowing would be paid from annual funding provided to the State through the Federal Highway Administration. The State anticipates issuing \$585 million of GARVEE bonds. In order to provide the State match, the EDC will also issue \$125 million of gas tax supported bonds. The department has been authorized to borrow \$709.6 million to address the I-195 Relocation, Sakonnet River Bridge Replacement, Washington Bridge Replacement (eastbound), Freight Rail Improvement Program, and Route 403 Phase II.

FY 2005 Gas Tax Allocation (cents per gallon)

<u>Recipient</u>	<u>Fiscal Year</u>						
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
DOT	16.00	17.50	18.00	19.50	20.50	20.50	20.75
RIPTA	3.00	5.00	5.50	5.75	6.25	6.25	6.85
General Fund	8.00	4.50	3.50	1.75	0.25	2.25	1.4
DEA	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total:	28.00	28.00	28.00	28.00	28.00	30.00	30.00

Capital

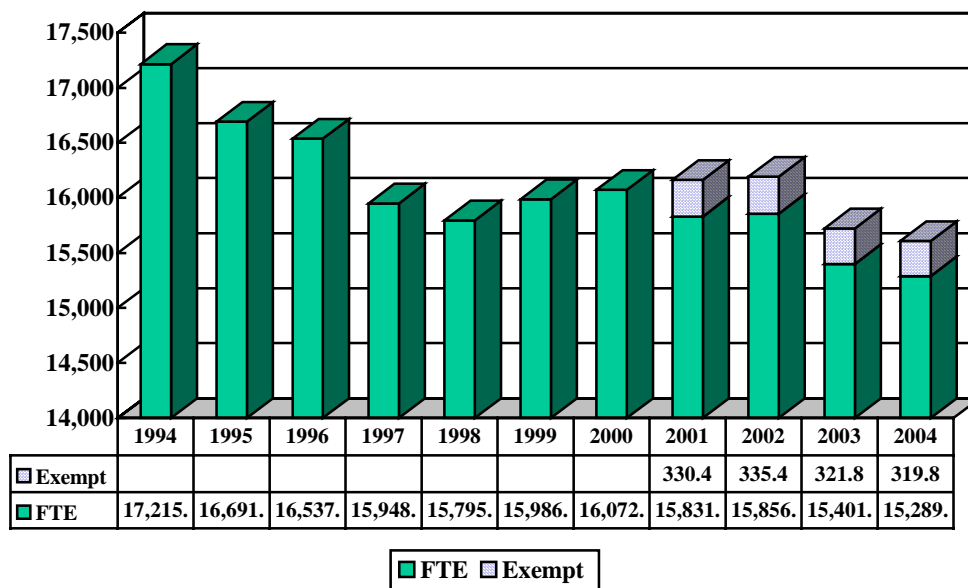
The FY 2004 enacted budget continues funding from the Rhode Island Capital Plan Fund for various pay-as-you-go asset protections and other capital projects. This program will dedicate approximately \$35.9 million in FY 2004 for infrastructure maintained by several state departments. Major projects financed in FY 2004 include: \$530,000 for continuing repairs and renovations to the State House; \$8.4 million for asset protection projects at the three institutions of higher education; \$750,000 for environmental compliance activities; and \$2.3 million for the conversion of Channel 36 to digital television.

Overview

Full Time Equivalent Positions

The number of full time equivalent positions authorized within the agency FTE caps in FY 2004, excluding Higher Education's sponsored research positions, totals 15,289.6, a reduction of 111.6 from the FY 2003 final FTE authorization of 15,401.0. The FTE reduction consists of a 157.0 position hiring freeze reduction in the Governor's recommended budget and distributed among twelve departments, a 6.5 net program increase); and an increase of 38.9 FTE's by the General Assembly, distributed among the Judiciary, the State Fire Marshall, the E-911 Commission, the Registry of Motor Vehicles, and other agencies.

Full Time Equivalent Positions



Schedules

Greater detail relative to the FY 2004 enacted budget may be found in the Schedules section of this document. This section contains schedules displaying expenditures by agency and funding source, revenues by major component, changes in general revenues and full-time equivalent authorizations by agency. All tables display four years of information, including the actual data for fiscal years 2001 and 2002, the revised authorizations for FY 2003, and the enacted levels for FY 2004.

All Funds

Total appropriations for FY 2004 from all funds are \$5.7 billion. Of this total, grants and benefits expenditures are the largest single expenditure category. For FY 2004, the authorized expenditures for this category are \$2.5 billion. The majority of these funds, \$1.873 billion, are expended in the Human Services function for various safety

Overview

net programs such as Medicaid, WIC, Food Stamps, Health Insurance, Cash Assistance, Elderly Care, and Child Care programs. The second largest grants component is in General Government and it totals \$428.5 million in FY 2004. This primarily reflects financial assistance payments within the Department of Labor and Training for unemployment and temporary disability insurance claims.

The second largest component of all-funds authorized expenditures is for personnel at \$1.340 billion, or 23.4 percent of the total. Approximately 29.4 percent of all personnel costs are represented by appropriations of \$394.5 million to Education agencies and \$373.6 million or 27.9 percent to General Government programs, including the State's Higher Education system.

Local Aid appropriations total \$1.1 billion. The majority of these funds, \$886.7 million or 81.5 percent of all local aid authorizations are for education aid to local school districts. Local school aid expenditures are shown in the final section of this document.

FY 2004 Enacted Expenditures

All Funds Expenditures						
(in Thousands)	Personnel	Other State Operations	Local Aid	Grants & Benefits	Capital	Total
General Government	\$175,723	\$83,059	\$199,334	\$428,489	\$156,785	\$1,043,390
Human Services	373,552	101,498	0	1,873,058	6,857	\$2,354,965
Education	394,512	139,596	886,669	128,144	17,558	\$1,566,479
Public Safety	254,736	40,024	0	49,368	12,390	\$356,518
Natural Resources	48,656	9,706	0	7,164	16,924	\$82,450
Transportation	93,675	22,320	0	53,536	167,225	\$336,756
Totals	\$1,340,855	\$396,203	\$1,086,003	\$2,539,760	\$377,738	\$5,740,559

General Revenues

Total appropriations for FY 2004 from general revenues, are \$2.8 billion. Of this amount, local aid expenditures constitute 33.9 percent or \$944.4 million to be distributed to local educational authorities as local education aid for \$745.9 million by education agencies. The balance of all authorized local aid expenditures will be distributed to the state's thirty-nine cities and towns in the form of general revenue sharing, payment in lieu of tax exempt property, and the motor vehicle excise tax reimbursement value of exemptions, as the major sub categories of all local aid expenditures.

Overview

The second largest category of expenditures authorized for FY 2004 is for grants and benefits expenditures of \$875.3 million or 31.4 percent of all enacted expenditures. The human services function accounts for a majority of these expenditures of \$790.9 million or 90.4 percent of all grants and benefits expenditures authorized for FY 2004. These authorized expenditures will cover the costs of the state's social services safety net programs including MEDICAID, pharmaceutical assistance to the elderly, cash assistance, elder care, and childcare.

Capital expenditures constitute the smallest categorical expenditure of three percent, reflecting primarily debt service expenditures.

FY 2004 Enacted Expenditures

General Revenue Expenditures						
(in Thousands)	Personnel	Other State Operations	Local Aid	Grants & Benefits	Capital	Total
General Government	\$113,983	\$40,358	\$198,464	\$32,260	\$84,998	\$470,063
Human Services	\$184,407	\$58,034	\$0	\$790,924	\$22	\$1,033,387
Education	157,698	30,391	745,931	30,917	22	\$964,959
Public Safety	227,963	32,379	0	20,285	700	\$281,326
Natural Resources	27,648	5,271	0	897	226	\$34,042
Transportation	0	0	0	0	0	\$0
Totals	\$711,698	\$166,433	\$944,395	\$875,283	\$85,967	\$2,783,776

All Sources

The total budget of all funds expenditures of \$5.741 billion includes all sources of funds from which state agencies make expenditures. It should be noted that \$56.8 million of this amount is allocated directly to the budget stabilization fund.

Federal funds are the largest source at 32.0 percent of the total. This is higher than last year and reflects the increased federal aid the State received from the Jobs and Growth Tax Relief Reconciliation Act of 2003.

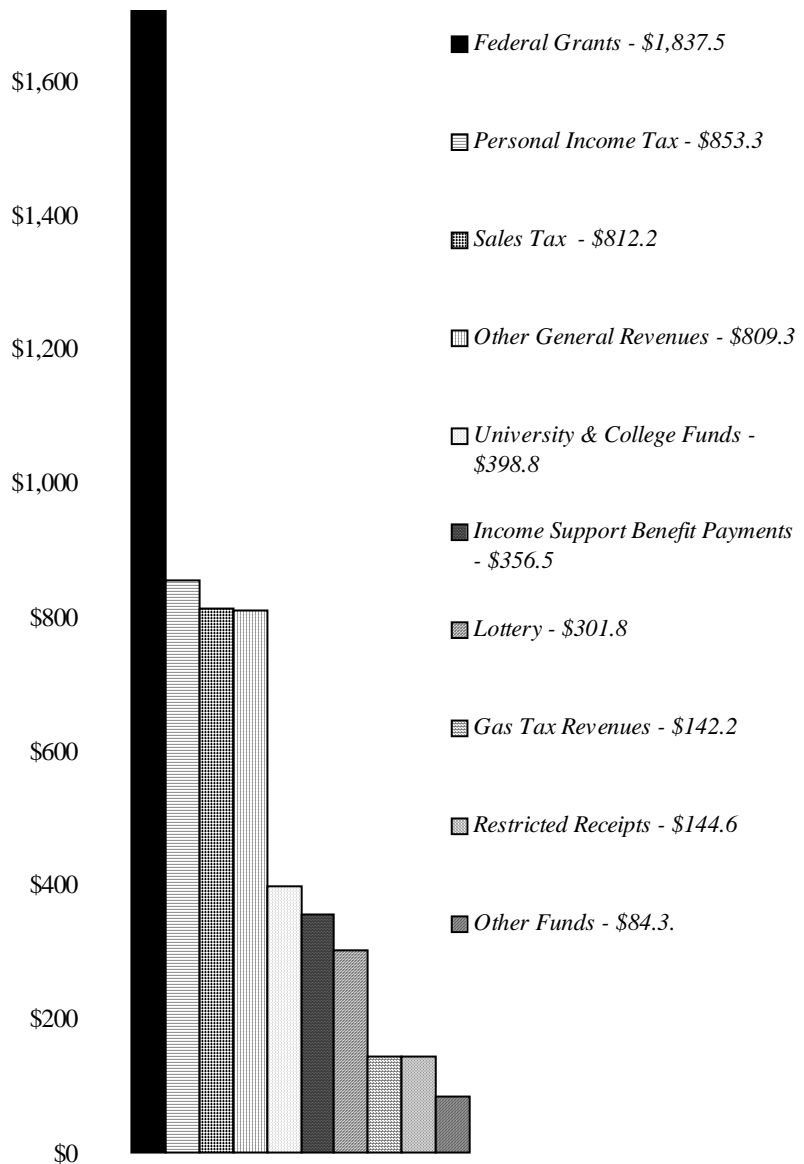
Personal income and the state's sales and use tax provide a combined 29.0 percent of total general revenues.

Income support benefit payments provide 6.2 percent of total general revenues, and University and College Funds, including tuition payments, provide another 6.9 percent of the total.

General Business Taxes and other General Revenue sources less the net surplus provide 14.1 percent of the funding.

The remaining sources of funding include restricted receipts, 2.5 percent, gas tax, 2.5 percent, lottery proceeds, 5.3 percent, and other funds, 1.5 percent.

Where It Comes From All Funds (in millions)



All Expenditures

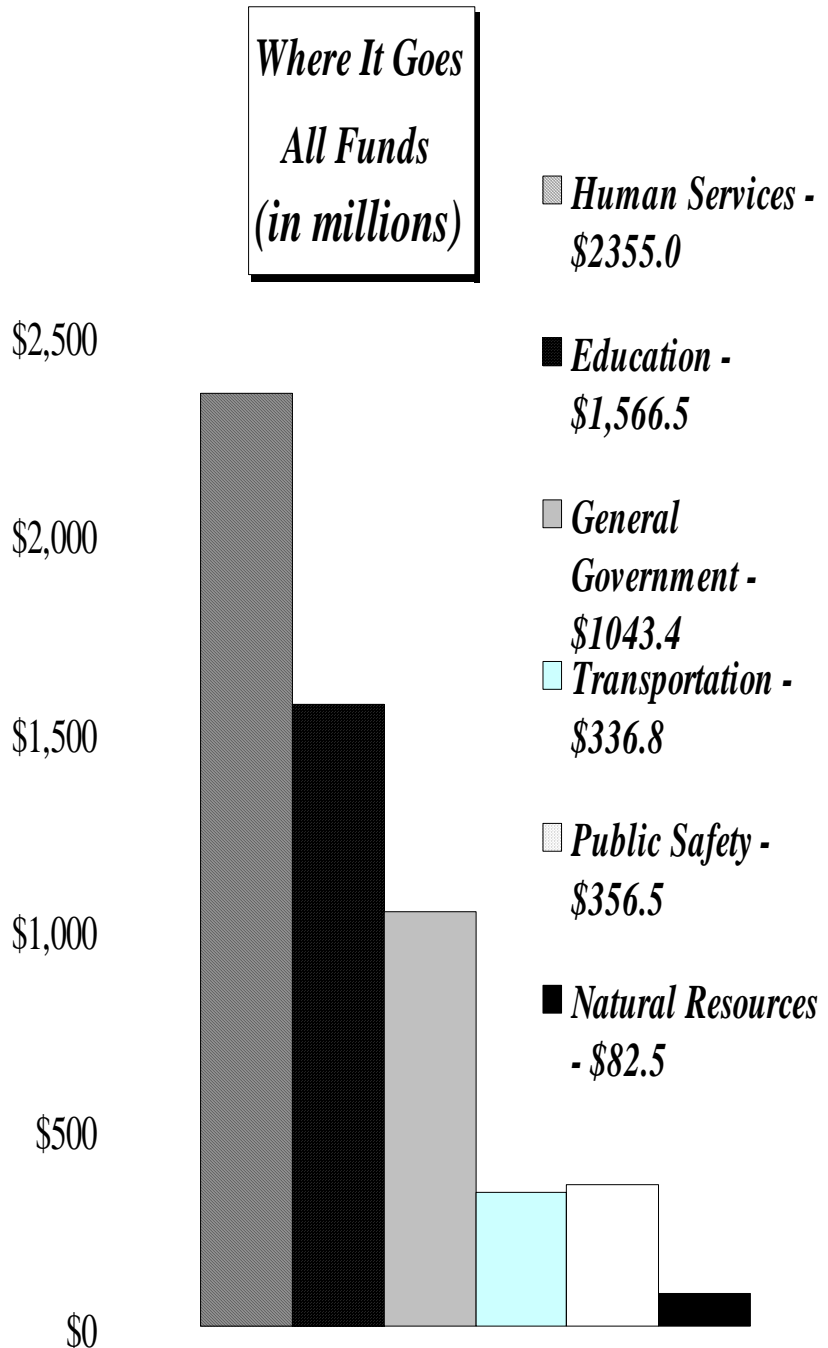
Approximately 68.3 percent of all expenditures are for human services and education programs. The budgets for the human service agencies total over \$2.3 billion, or 41.0 percent of all expenditures.

Education expenditures are 27.3 percent of the total expenditures with \$886.7 million for aid to local units of government. This is approximately 56.6 percent of all education expenditures, including higher education, which is 10.2 percent of all spending authorized for FY 2004.

Approximately 60.2 percent of the \$1,043.4 million authorized for general government are for aid to local units of government and assistance, grants and benefits to individuals. Forty-one percent of these expenditures are for employment and training, including unemployment compensation.

Transportation expenditures compose 5.9 percent of the total budget including funds for public transportation---highway, road and bridge expenditures.

Overall, expenditures from all funds increased 4.0 percent or \$222.8 million over the final budget authorized for FY 2003.



General Revenues

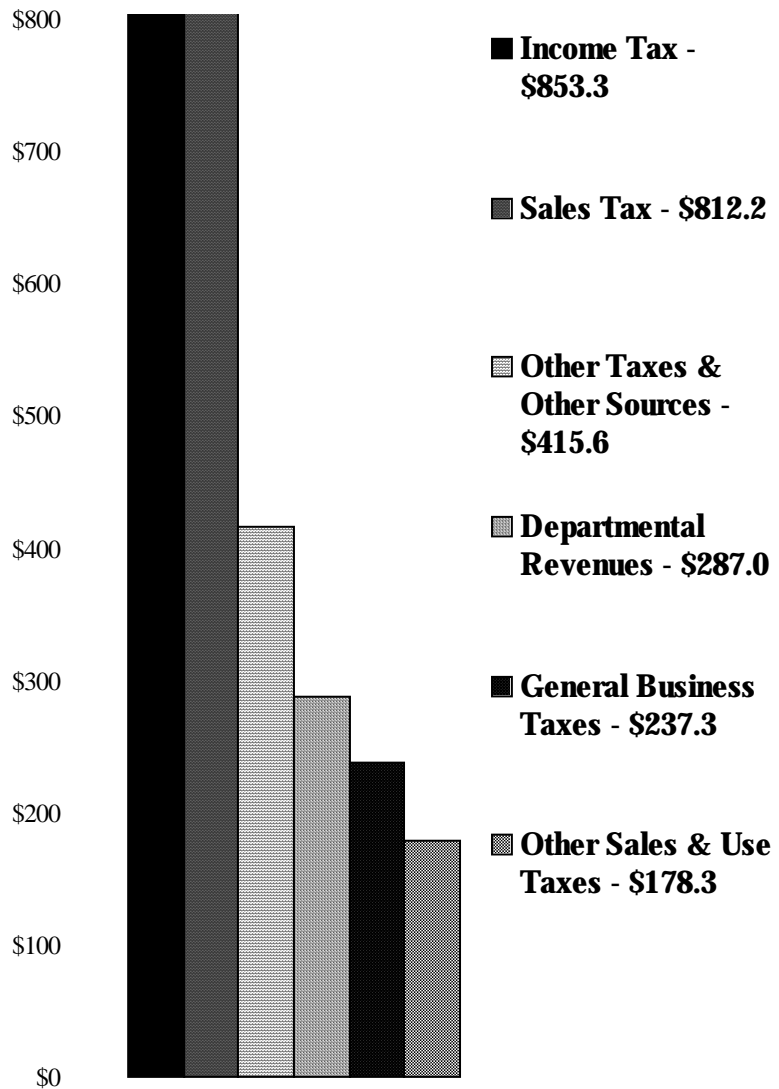
The enacted FY 2004 general revenue budget is based upon \$2.784 billion of general revenues. General revenues are subject to appropriation for any lawful government purpose.

The personal income tax is the largest single general revenue source at 30.7 percent. All sales and use taxes, including the sales tax, the motor vehicles tax, cigarette taxes and alcohol taxes, are an additional 35.6 percent of general revenue. The sales tax on its own is projected at \$812.2 million, or 29.2 percent of general revenue.

General business taxes, including corporate income taxes, are 8.5 percent of general revenue while all departmental receipts equal 10.3 percent of general revenues.

Other revenue sources of \$415.6 million include the transfer from the lottery, the state's share of the federal Temporary State Fiscal Relief provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003, and 1.40 cents of the gas tax. The remainder of the gas tax is dedicated for the state's transportation needs.

**Where It Comes From
General Revenue
(in millions)**



General Revenue Expenditures

The FY 2004 enacted budget from general revenues is \$2.784 billion or \$84.7 million (3.1 percent) greater than the final FY 2003 budget authorized. This allows for the constitutional mandate that the state spends no more than 98% of taxes and departmental receipts. The remaining two percent (\$56.8 million) is deposited in the Rainy Day Fund (Budget Reserve and Cash Stabilization Fund).

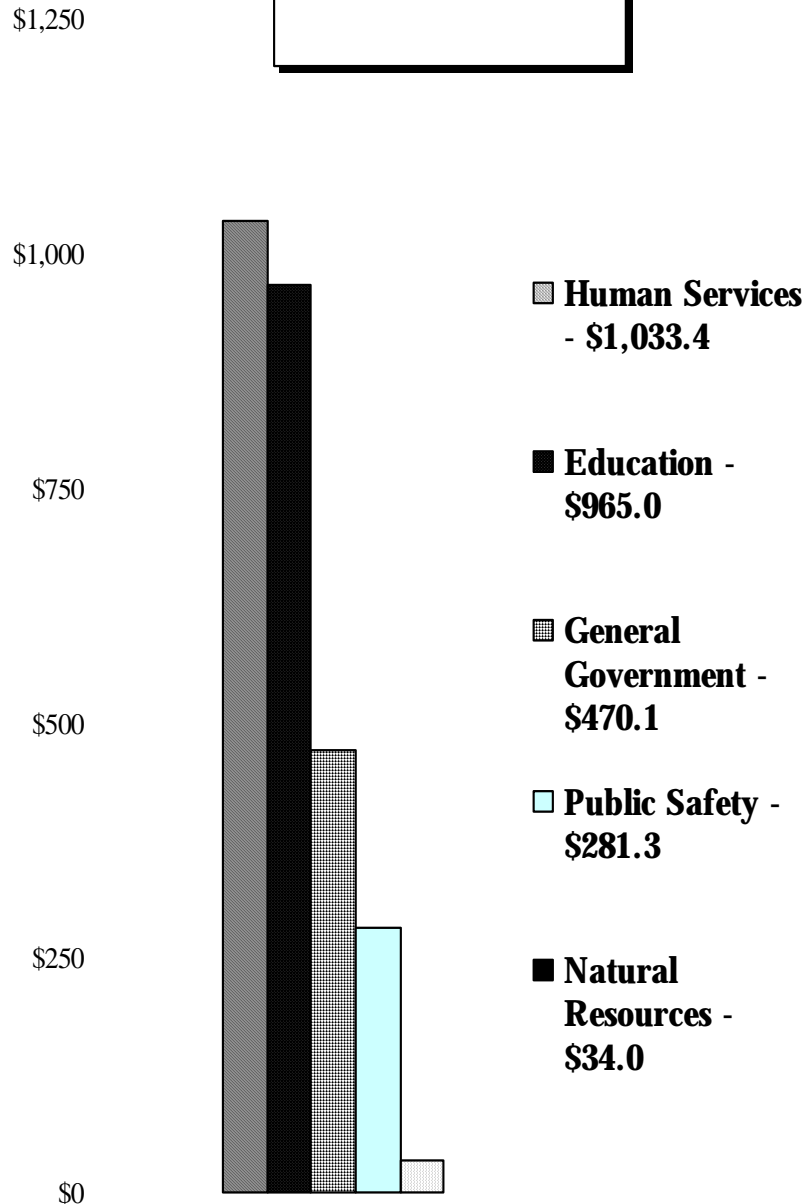
Human services programs comprise the largest share of expenditures from general revenue at over 37 percent. Of this percentage, 28.4 percent or \$790.9 million is for assistance, grants, and benefits expenditures, with Medicaid accounting for \$463.9 million or 44.9 percent of all human services enacted budget.

Education programs, which include local education aid, are the second largest at nearly 35 percent of all FY 2004 authorizations.

Authorized public safety expenditures are 10.1 percent, compared to all general revenue enacted budgets. While general revenues support 78.9% of all public safety programs, it contributes 41.3% to all natural resource programs enacted budget. The \$34.0 million in general revenues is 1.2 percent of all general revenue authorizations.

Transportation receives all of its funding from the gas tax and other non-general revenues.

*Where It Goes
General Revenue
(in millions)*



General Revenues

	FY 2001 Audited	FY 2002 Unaudited	FY 2003 Revised	FY 2004 Enacted
Personal Income Tax	\$913,805,718	\$808,156,977	\$808,900,000	\$853,310,000
General Business Taxes				
Business Corporations	60,629,245	24,192,204	64,000,000	65,060,000
Franchise	8,174,570	8,545,064	-	-
Public Utilities Gross Earnings	82,112,494	80,813,972	74,000,000	77,800,000
Financial Institutions	19,105,691	3,385,254	1,400,000	1,500,000
Insurance Companies	37,448,382	32,351,133	49,500,000	50,600,000
Bank Deposits	959,329	1,138,120	1,400,000	1,430,000
Health Care Provider Assessment	27,319,481	27,843,707	28,918,626	40,940,000
Sales and Use Taxes				
Sales and Use	712,596,610	745,688,792	778,200,000	812,205,533
Motor Vehicle	44,433,272	45,842,821	46,800,000	48,200,000
Motor Fuel	1,151,584	812,579	600,000	620,000
Cigarettes	60,067,612	85,478,817	96,500,000	119,220,000
Alcohol	9,203,779	10,039,097	10,000,000	10,300,000
Controlled Substances	4	-	-	-
Other Taxes				
Inheritance and Gift	26,912,400	22,244,911	30,000,000	30,700,000
Racing and Athletics	5,472,514	5,470,031	5,000,000	5,000,000
Realty Transfer	2,556,006	2,665,416	8,800,000	8,900,000
Total Taxes	2,011,948,690	1,904,668,895	2,004,018,626	2,125,785,533
Departmental Receipts				-
Licenses and Fees	154,740,137	137,509,628	-	-
Fines and Penalties	25,312,503	24,665,435	-	-
Sales and Services	24,989,961	24,867,099	-	-
Miscellaneous	56,635,240	57,298,126	-	-
Total Departmental Receipts	261,677,841	244,340,288	288,693,147	287,037,601
Taxes and Departmentals	2,273,626,531	2,149,009,183	2,292,711,773	2,412,823,134
Other Sources				
Gas Tax Transfer	8,538,414	546,830	24,814,417	6,608,000
Other Miscellaneous	97,011,236	232,339,319	184,839,169	71,341,582
Lottery	180,743,897	214,141,576	238,500,000	301,770,293
Unclaimed Property	4,460,535	7,419,763	8,800,000	12,900,000
Other Sources	290,754,082	454,447,488	456,953,586	392,619,875
Total General Revenues	\$2,564,380,613	\$2,603,456,671	\$2,749,665,359	\$2,805,443,009

* The Revenue Estimating Conference's principals agreed to combine Business Corporations and Franchise Taxes into a single estimate at the May 2003 Conference. Similarly, the principals agreed to combine all Departmental Receipts components into a single estimate at the November 2002 Conference.

General Revenue Changes to Adopted Estimates

	FY 2003	FY 2004
<u>Taxes</u>		
<i>Personal Income Tax</i>		
Posting of More Complete Information on Tax Delinquents		400,000
Implementation of Collection Case Management System		600,000
Refundable State Earned Income Tax Credit		(690,000)
<i>Subtotal: Personal Income Taxes</i>	0	310,000
<i>General Business Taxes</i>		
Corporate Income Tax: Change Manufacturers Apportionment Formula		(1,740,000)
Health Care Provider Assessment: Expand Group Homes Tax Base	318,626	1,980,000
Health Care Provider Assessment: Increase Nursing Home Tax Rate		9,360,000
<i>Subtotal: General Business Taxes</i>	318,626	9,600,000
<i>Sales and Use Taxes</i>		
Sales Tax: Posting of More Complete Information on Tax Delinquents		200,000
Sales Tax: Implementation of Collection Case Management System		300,000
Sales Tax: Collections on Increased Cigarette Tax		1,105,533
Cigarette Tax: Increase Cigarette Tax to \$1.71 per pack		14,420,000
<i>Subtotal: Sales and Use Taxes</i>	0	16,025,533
<i>Subtotal: All Taxes</i>	318,626	25,935,533
<u>Departmental Revenues</u>		
<i>Licenses and Fees</i>		
DBR: Increase in Mutual Fund Filing Fee		3,400,000
DBR: Increase Real Estate License Fees		276,633
DHS: Reinstigate Hospital Licensing Fee		62,446,919
Secretary of State: Change License Fee to Flat Fee of \$160		0
DEM: Imposition of Marine Fishing Licenses		2,200,000
DEM: Retraction of Marine Fishing Licenses		(2,200,000)
Renewable Energy Program Reallocation to General Fund	5,050,000	2,300,000
DEM: Elimination of RIPDES Permit Fees		(176,000)
DEM: Reinstatement of RIPDES Permit Fees		176,000
Judiciary: Increase Superior Court Filing Fees		200,000
<i>Subtotal: Licenses and Fees</i>	5,050,000	68,623,552
<i>Sales and Services</i>		
DBR: Industry Reimbursement for Regulatory Costs*		[329,250]
MHRH: Increase Uncompensated Care Payment for Slater Hospital		3,714,349
<i>Subtotal: Sales and Services</i>	0	3,714,349
<i>Miscellaneous Departmental Revenues</i>		
Board of Elections: Election Reform Grant*	[2,415,329]	
EPSDT Caseload Adjustment	(356,853)	(1,221,300)
DHS: Veterans Allowance Disregard		(79,000)
<i>Subtotal: Miscellaneous Departmental Revenues</i>	(356,853)	(1,300,300)
<i>Subtotal: All Departmental Revenues</i>	4,693,147	71,037,601

General Revenue Changes to Adopted Estimates

	FY 2003	FY 2004
<u>Other Sources</u>		
<i>Gas Tax</i>		
DOT: Tobacco Bonds Debt Service Savings	14,306,917	
RIPTA: Transfer \$0.006 per Gallon of Gas Tax from General Fund		(2,832,000)
Subtotal: Gas Tax	14,306,917	(2,832,000)
<i>Other Miscellaneous</i>		
Narragansett Bay Commission: Tobacco Bonds Debt Service Savings	421,457	410,265
RI Airport Corporation: Tobacco Bonds Debt Service Savings	317,712	238,317
FY 2004 Tobacco Securitization Working Capital	28,500,000	(30,000,000)
Bond Capital Interest Earnings		7,000,000
Transfer of Sinking Fund Revenues		173,000
DEPCO Reallocation of Proceeds		3,400,000
Jobs and Growth Tax Relief Reconciliation Act of 2003		50,000,000
RI Student Loan Authority Transfer		5,000,000
Subtotal: Other Miscellaneous	29,239,169	36,221,582
<i>Lottery</i>		
Decrease Dog Kennel Owners Share of VLT Revenue to 3.4%		4,847,738
Decrease Lincoln Park's Share of VLT Revenue to 27.0%		9,089,508
Decrease Newport Grand's Share of VLT Revenue to 26.0%		3,269,731
Decrease Other Technology Providers Share of VLT Revenue to 7.0%		4,263,316
Subtotal: Lottery	0	21,470,293
<i>Unclaimed Property</i>		
Decrease the Time for the Recovery of Demutualization Proceeds		3,840,000
Subtotal: Unclaimed	0	3,840,000
Subtotal: Other Sources	43,546,086	58,699,875
Total Adjustments	\$48,557,859	\$155,673,009

* The DBR Industry Reimbursement for Regulatory Costs and the Board of Elections' Election Reform Grant were proposed in the Governor's Budget and incorporated in the May estimate by the principals of the Revenue Estimating Conference.

Total Statewide Expenditures

	FY 2001	FY 2002	FY 2003	FY 2004
	Actual	Preliminary	Revised	Enacted
Expenditure by Function				
General Government	907,269,527	1,030,382,560	1,033,124,623	1,043,390,090
Human Services	1,958,200,566	2,116,320,781	2,270,012,661	2,354,965,299
Education	1,300,374,455	1,392,175,900	1,506,964,504	1,566,479,003
Public Safety	288,970,241	301,326,525	323,951,311	356,518,354
Natural Resources	64,349,628	63,070,357	79,566,607	82,450,410
Transportation	319,990,241	303,396,369	304,185,941	336,755,793
Total Expenditures	\$4,839,154,658	\$5,206,672,492	\$5,517,805,647	\$5,740,558,949
Expenditure by Object				
Personnel	1,158,021,994	1,228,718,031	1,313,143,553	1,340,854,790
Other State Operations	374,131,044	363,469,203	375,196,663	396,203,069
Aid to Local Units of Government	865,223,528	944,461,522	1,039,875,428	1,086,002,761
Assistance, Grants, and Benefits	2,094,009,582	2,314,573,255	2,448,051,798	2,539,759,937
Capital	347,768,510	355,450,481	341,538,205	377,738,392
Subtotal: Operating Expenditures	4,839,154,658	5,206,672,492	5,517,805,647	5,740,558,949
Expenditures by Funds				
General Revenue	2,482,676,487	2,650,273,815	2,699,032,950	2,783,776,459
Federal Funds	1,428,795,483	1,477,088,802	1,729,166,998	1,837,498,843
Restricted Receipts	96,506,629	93,113,113	119,375,788	144,636,954
Other Funds	831,176,059	986,196,762	970,229,911	974,646,693
Total Expenditures	\$4,839,154,658	\$5,206,672,492	\$5,517,805,647	\$5,740,558,949
FTE Subject to Authorization	15,831.3	15,856.3	15,382.6	15,289.4
Higher Education Sponsored Research	330.4	335.4	321.8	319.8
Total FTE Complement	16,161.7	16,191.7	15,704.4	15,609.2

Expenditures From All Funds

	FY 2001 Actual	FY 2002 Unaudited	FY 2003 Revised	FY 2004 Enacted
General Government				
Administration	470,310,503	514,479,474	486,245,996	518,917,505
Business Regulation	8,604,346	8,850,190	10,088,996	10,281,968
Labor and Training	354,106,068	434,597,466	452,932,868	425,351,549
Legislature	25,336,781	26,929,068	29,217,131	29,710,850
Lieutenant Governor	696,440	756,501	805,721	860,138
Secretary of State	5,663,544	4,997,096	6,285,284	13,440,070
General Treasurer	30,729,876	27,119,112	30,979,694	30,879,154
Boards for Design Professionals	357,428	347,865	423,802	391,338
Board of Elections	2,260,980	2,453,874	3,103,668	2,306,467
Rhode Island Ethics Commission	628,053	873,597	902,021	942,594
Governor's Office	4,013,707	4,525,550	6,362,866	4,277,878
Public Utilities Commission	4,429,026	4,315,014	5,633,087	5,887,186
Rhode Island Commission on Women	132,775	137,753	143,489	143,393
Subtotal - General Government	\$ 907,269,527	\$ 1,030,382,560	\$ 1,033,124,623	\$ 1,043,390,090
Human Services				
Children, Youth, and Families	209,117,240	227,311,304	238,522,284	234,579,613
Elderly Affairs	35,855,123	38,558,292	42,874,658	42,299,625
Health	83,030,889	90,323,578	109,106,501	109,017,762
Human Services	1,238,142,838	1,336,945,898	1,433,699,205	1,514,996,848
Mental Health, Retardation, & Hospitals	388,901,359	419,930,455	442,067,269	450,058,633
Office of the Child Advocate	886,636	835,387	871,742	462,844
Commission on Deaf & Hard of Hearing	233,790	165,141	261,397	285,014
RI Developmental Disabilities Council	408,971	406,272	545,788	548,888
Governor's Commission on Disabilities	327,828	328,536	574,569	1,232,288
Commission for Human Rights	1,061,926	1,225,200	1,192,389	1,166,128
Office of the Mental Health Advocate	233,966	290,718	296,859	317,656
Subtotal - Human Services	\$ 1,958,200,566	\$ 2,116,320,781	\$ 2,270,012,661	\$ 2,354,965,299
Education				
Elementary and Secondary	771,617,229	816,337,013	912,757,720	946,771,054
Higher Education - Board of Governors	510,098,383	556,521,383	568,216,768	586,323,956
RI Council on the Arts	1,935,602	2,198,247	3,164,706	3,210,229
RI Atomic Energy Commission	867,039	789,477	1,111,020	1,124,638
Higher Education Assistance Authority	12,418,667	12,879,955	17,400,355	22,445,052
Historical Preservation and Heritage Commiss	1,732,018	1,770,824	1,782,437	1,860,694
Public Telecommunications Authority	1,705,517	1,679,001	2,531,498	4,743,380
Subtotal - Education	\$ 1,300,374,455	\$ 1,392,175,900	\$ 1,506,964,504	\$ 1,566,479,003

Expenditures From All Funds

	FY 2001 Actual	FY 2002 Unaudited	FY 2003 Revised	FY 2004 Enacted
Public Safety				
Attorney General	15,875,699	16,385,077	18,886,750	18,636,473
Corrections	134,359,147	142,342,187	150,168,381	155,847,674
Judicial	64,133,462	72,732,817	74,803,517	78,878,767
Military Staff	9,060,016	11,282,943	17,740,575	38,756,725
E-911 Emergency Telephone System	3,566,286	3,893,219	4,023,646	4,365,704
Fire Safety Code Board of Appeal & Review	170,027	210,518	233,782	235,469
State Fire Marshal	1,441,527	1,606,579	1,769,002	2,024,653
Commission on Judicial Tenure & Discipline	110,287	101,764	144,235	113,455
Rhode Island Justice Commission	4,983,113	4,488,302	5,840,959	5,954,376
Municipal Police Training Academy	476,870	418,870	416,018	391,387
State Police	40,745,720	41,917,527	43,428,342	44,304,327
Office Of Public Defender	5,456,929	5,946,722	6,496,104	7,009,344
Sheriffs of Several Counties*	8,591,158	-	-	
Subtotal - Public Safety	\$ 288,970,241	\$ 301,326,525	\$ 323,951,311	\$ 356,518,354
Natural Resources				
Environmental Management	60,452,063	59,152,776	67,925,781	72,090,130
Coastal Resources Management Council	2,184,927	2,322,182	9,049,313	8,355,288
Water Resources Board	1,712,638	1,595,399	2,591,513	2,004,992
Subtotal - Natural Resources	\$ 64,349,628	\$ 63,070,357	\$ 79,566,607	\$ 82,450,410
Transportation				
Transportation	319,990,241	303,396,369	304,185,941	336,755,793
Subtotal - Transportation	\$ 319,990,241	\$ 303,396,369	\$ 304,185,941	\$ 336,755,793
Total	\$ 4,839,154,658	\$ 5,206,672,492	\$ 5,517,805,647	\$ 5,740,558,949

Expenditures from General Revenues

	FY2001 Actual	FY 2002 Unaudited	FY 2003 Revised	FY 2004 Enacted
General Government				
Administration	352,962,253	382,449,631	371,038,161	408,994,763
Business Regulation	8,308,629	8,609,251	9,497,303	9,680,905
Labor and Training	7,300,425	7,291,073	6,801,323	7,915,813
Legislature	24,351,032	26,037,482	28,407,492	27,326,547
Lieutenant Governor	696,440	756,501	805,721	860,138
Secretary of State	5,490,469	4,718,796	5,977,672	4,625,689
General Treasurer	4,901,629	5,079,346	3,517,360	2,845,289
Boards for Design Professionals	357,428	347,865	423,802	391,338
Board of Elections	2,260,980	2,453,874	3,103,668	1,365,467
Rhode Island Ethics Commission	628,053	873,597	902,021	942,594
Governor's Office	4,013,751	4,525,550	6,362,866	4,277,878
Public Utilities Commission	734,122	702,507	692,827	693,237
Rhode Island Commission on Women	132,775	137,753	143,489	143,393
Subtotal - General Government	\$ 412,137,986	\$ 443,983,226	\$ 437,673,705	\$ 470,063,051
Human Services				
Children, Youth, and Families	126,828,091	137,678,216	140,398,795	136,309,781
Elderly Affairs	22,463,072	25,363,463	26,834,653	27,694,995
Health	31,669,378	34,028,273	34,441,182	34,092,350
Human Services	549,716,347	603,120,490	610,001,751	623,274,918
Mental Health, Retardation, & Hospitals	205,993,804	221,100,208	218,488,545	209,567,910
Office of the Child Advocate	526,339	491,878	492,730	414,844
Commission on Deaf & Hard of Hearing	233,790	165,141	261,397	285,014
RI Developmental Disabilities Council	-	-	-	-
Governor's Commission on Disabilities	292,977	303,540	481,594	534,430
Commission for Human Rights	749,221	733,075	804,657	895,306
Office of the Mental Health Advocate	233,966	290,718	296,859	317,656
Subtotal - Human Services	\$ 938,706,985	\$ 1,023,275,002	\$ 1,032,502,163	\$ 1,033,387,204
Education				
Elementary and Secondary	668,807,060	706,940,913	743,524,577	776,579,071
Higher Education - Board of Governors	162,750,040	174,472,786	169,615,868	172,088,777
RI Council on the Arts	1,463,887	1,638,620	2,300,377	2,314,223
RI Atomic Energy Commission	629,357	631,147	672,281	646,012
Higher Education Assistance Authority	7,538,171	6,934,216	6,017,046	11,059,662
Historical Preservation and Heritage Commis	910,220	777,395	1,041,103	1,074,360
Public Telecommunications Authority	1,243,915	1,158,308	1,291,993	1,196,530
Subtotal - Education	\$ 843,342,650	\$ 892,553,385	\$ 924,463,245	\$ 964,958,635

Expenditures from General Revenues

	FY2001 Actual	FY 2002 Unaudited	FY 2003 Revised	FY 2004 Enacted
Public Safety				
Attorney General	14,307,795	14,673,107	16,062,333	16,567,098
Corrections	125,725,438	128,169,352	136,200,307	140,077,413
Judicial	55,804,452	60,688,095	63,802,330	67,767,761
Military Staff	2,620,057	2,460,657	2,373,533	2,796,720
E-911 Emergency Telephone System	3,213,003	3,893,219	4,023,646	4,365,704
Fire Safety Code Board of Appeal & Review	170,027	210,518	233,782	235,469
State Fire Marshal	1,306,700	1,471,137	1,414,537	1,739,123
Commission on Judicial Tenure and Disciplin	110,287	101,764	144,235	113,455
Rhode Island Justice Commission	180,185	177,298	171,791	163,492
Municipal Police Training Academy	426,616	359,824	351,227	356,387
State Police	36,480,855	37,999,881	38,588,019	40,575,638
Office Of Public Defender	5,247,635	5,544,192	6,013,487	6,567,522
Sheriffs of Several Counties*	8,591,158	-		
Subtotal - Public Safety	\$ 254,184,208	\$ 255,749,044	\$ 269,379,227	\$ 281,325,782
 Natural Resources				
Environmental Management	32,228,212	32,484,833	32,376,974	31,679,774
Coastal Resources Management Council	1,114,228	1,156,179	1,580,370	1,421,021
Water Resources Board	962,218	1,072,146	1,057,266	940,992
Subtotal - Natural Resources	\$ 34,304,658	\$ 34,713,158	\$ 35,014,610	\$ 34,041,787
 Transportation				
Transportation	-	-	-	-
Subtotal - Transportation	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,482,676,487	\$ 2,650,273,815	\$ 2,699,032,950	\$ 2,783,776,459

Expenditures from Federal Funds

	FY 2001 Actual	FY 2002 Unaudited	FY 2003 Revised	FY 2004 Enacted
General Government				
Administration	37,267,720	29,252,557	37,975,695	38,463,699
Business Regulation	-	-	-	-
Labor and Training	36,853,984	33,591,666	40,453,258	31,814,489
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	31,262	17,236	75,000	8,260,870
General Treasurer	1,465,570	1,997,878	2,182,626	1,525,730
Boards for Design Professionals	-	-	-	-
Board of Elections	-	-	-	941,000
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	(44)	-	-	-
Public Utilities Commission	54,845	36,638	66,610	70,277
Rhode Island Commission on Women	-	-	-	-
Subtotal - General Government	\$ 75,673,337	\$ 64,895,975	\$ 80,753,189	\$ 81,076,065
Human Services				
Children, Youth, and Families	80,732,390	88,177,105	95,465,642	96,233,612
Elderly Affairs	8,620,246	8,700,292	11,370,005	9,884,630
Health	44,416,573	49,253,249	63,522,086	64,221,207
Human Services	684,999,963	729,614,963	817,725,510	885,248,399
Mental Health, Retardation, & Hospitals	182,359,072	197,281,194	222,192,048	237,865,723
Office of the Child Advocate	360,297	343,509	361,012	48,000
Commission on Deaf & Hard of Hearing	-	-	-	-
RI Developmental Disabilities Council	408,971	406,272	545,788	548,888
Governor's Commission on Disabilities	27,690	10,180	36,152	147,040
Commission for Human Rights	312,705	492,125	387,732	270,822
Office of the Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 1,002,237,907	\$ 1,074,278,889	\$ 1,211,605,975	\$ 1,294,468,321
Education				
Elementary and Secondary	101,511,719	108,110,649	167,277,180	168,241,422
Higher Education - Board of Governors	1,591,191	2,419,878	3,349,436	3,021,462
RI Council on the Arts	475,015	519,827	609,051	696,006
RI Atomic Energy Commission	59,992	8,881	294,850	325,000
Higher Education Assistance Authority	4,635,552	4,782,837	7,186,530	7,322,593
Historical Preservation and Heritage Commis:	553,955	559,257	534,534	534,534
Public Telecommunications Authority	2,424	-	555,601	555,601
Subtotal - Education	\$ 108,829,848	\$ 116,401,329	\$ 179,807,182	\$ 180,696,618

Expenditures from Federal Funds

	FY 2001 Actual	FY 2002 Unaudited	FY 2003 Revised	FY 2004 Enacted
Public Safety				
Attorney General	999,534	1,174,112	2,186,052	1,438,636
Corrections	2,935,921	4,850,061	8,580,960	9,461,369
Judicial	2,116,326	2,550,317	4,089,463	3,749,716
Military Staff	6,179,898	8,313,371	14,620,655	34,794,348
E-911 Emergency Telephone System	-	-	-	-
Fire Safety Code Board of Appeal & Review	-	-	-	-
State Fire Marshal	134,827	135,442	354,465	285,530
Commission on Judicial Tenure & Discipline	-	-	-	-
Rhode Island Justice Commission	4,802,928	4,262,082	5,579,168	5,700,884
Municipal Police Training Academy	50,254	59,046	64,791	35,000
State Police	1,196,116	1,040,654	2,218,574	1,299,900
Office Of Public Defender	209,294	402,530	482,617	441,822
Sheriffs of Several Counties	-	-	-	-
Subtotal - Public Safety	\$ 18,625,098	\$ 22,787,615	\$ 38,176,745	\$ 57,207,205
Natural Resources				
Environmental Management	11,588,264	15,365,640	23,115,710	25,353,214
Coastal Resources Management Council	1,070,699	1,166,003	2,401,943	1,466,000
Water Resources Board	-	-	500,000	-
Subtotal - Natural Resources	\$ 12,658,963	\$ 16,531,643	\$ 26,017,653	\$ 26,819,214
Transportation				
Transportation	210,770,330	182,193,351	192,806,254	197,231,420
Subtotal - Transportation	\$ 210,770,330	\$ 182,193,351	\$ 192,806,254	\$ 197,231,420
Total	\$ 1,428,795,483	\$ 1,477,088,802	\$ 1,729,166,998	\$ 1,837,498,843

Expenditures From Restricted Receipts

	FY2001 Actual	FY 2002 Unaudited	FY 2003 Revised	FY 2004 Enacted
General Government				
Administration	8,136,681	6,295,231	10,086,924	9,136,693
Business Regulation	295,717	240,939	591,693	601,063
Labor and Training	19,536,096	22,076,440	22,299,749	25,103,688
Legislature	985,749	891,586	809,639	884,303
Lieutenant Governor	-	-	-	-
Secretary of State	141,813	261,064	232,612	553,511
General Treasurer	14,520,942	9,886,168	15,782,243	20,729,710
Boards for Design Professionals	-	-	-	-
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Public Utilities Commission	3,640,059	3,575,869	4,873,650	5,123,672
Rhode Island Commission on Women	-	-	-	-
Subtotal - General Government	\$ 47,257,057	\$ 43,227,297	\$ 54,676,510	\$ 62,132,640
Human Services				
Children, Youth, and Families	1,540,682	1,253,356	2,445,000	2,011,220
Elderly Affairs	-	-	-	-
Health	6,828,084	6,802,105	10,968,538	10,630,779
Human Services	3,421,725	4,209,593	5,831,944	5,357,808
Mental Health, Retardation, & Hospitals	55,000	61,913	75,000	75,000
Office of the Child Advocate	-	-	18,000	-
Commission on Deaf & Hard of Hearing	-	-	-	-
RI Developmental Disabilities Council	-	-	-	-
Governor's Commission on Disabilities	7,161	14,816	56,823	50,818
Commission for Human Rights	-	-	-	-
Office of the Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 11,852,652	\$ 12,341,783	\$ 19,395,305	\$ 18,125,625
Education				
Elementary and Secondary	603,921	874,511	1,327,932	1,131,501
Higher Education - Board of Governors	-	-	-	-
RI Council on the Arts	(3,300)	39,800	255,278	200,000
RI Atomic Energy Commission	-	-	-	-
Higher Education Assistance Authority	99,800	-	-	-
Historical Preservation and Heritage Commissi	119,943	434,172	206,800	251,800
Public Telecommunications Authority	13,572	-	-	-
Subtotal - Education	\$ 833,936	\$ 1,348,483	\$ 1,790,010	\$ 1,583,301

Expenditures From Restricted Receipts

	FY2001 Actual	FY 2002 Unaudited	FY 2003 Revised	FY 2004 Enacted
Public Safety				
Attorney General	568,370	537,858	638,365	630,739
Corrections	3,361,490	5,367,901	2,607,121	2,737,500
Judicial	5,544,455	5,851,785	6,682,997	7,045,790
Military Staff	47,079	112,257	182,629	128,157
E-911 Emergency Telephone System	353,283	-	-	-
Fire Safety Code Board of Appeal & Review	-	-	-	-
State Fire Marshal	-	-	-	-
Commission on Judicial Tenure & Discipline	-	-	-	-
Rhode Island Justice Commission	-	48,922	90,000	90,000
Municipal Police Training Academy	-	-	-	-
State Police	771,322	239,326	335,175	223,468
Office Of Public Defender	-	-	-	-
Sheriffs of Several Counties	-	-	-	-
Subtotal - Public Safety	\$ 10,645,999	\$ 12,158,049	\$ 10,536,287	\$ 10,855,654
Natural Resources				
Environmental Management	10,569,635	7,768,695	9,539,368	10,047,823
Coastal Resources Management Council	-	-	4,750,000	4,500,000
Water Resources Board	-	94,004	753,709	984,000
Subtotal - Natural Resources	\$ 10,569,635	\$ 7,862,699	\$ 15,043,077	\$ 15,531,823
Transportation				
Transportation	15,347,350	16,174,802	17,934,599	36,407,911
Subtotal - Transportation	\$ 15,347,350	\$ 16,174,802	\$ 17,934,599	\$ 36,407,911
Total	\$ 96,506,629	\$ 93,113,113	\$ 119,375,788	\$ 144,636,954

Expenditures From Other Funds

	FY 2001	FY 2002	FY 2003	FY 2004
	Actual	Unaudited	Revised	Enacted
General Government				
Administration	71,943,849	96,482,055	67,145,216	62,322,350
Business Regulation	-	-	-	-
Labor and Training	290,415,563	371,638,287	383,378,538	360,517,559
Legislature	-	-	-	1,500,000
Lieutenant Governor	-	-	-	-
Secretary of State	-	-	-	-
General Treasurer	9,841,735	10,155,720	9,497,465	5,778,425
Boards for Design Professionals	-	-	-	-
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Public Utilities Commission	-	-	-	-
Rhode Island Commission on Women	-	-	-	-
Subtotal - General Government	\$ 372,201,147	\$ 478,276,062	\$ 460,021,219	\$ 430,118,334
Human Services				
Children, Youth, and Families	16,077	202,627	212,847	25,000
Elderly Affairs	4,771,805	4,494,537	4,670,000	4,720,000
Health	116,854	239,951	174,695	73,426
Human Services	4,803	852	140,000	1,115,723
Mental Health, Retardation, & Hospitals	493,483	1,487,140	1,311,676	2,550,000
Office of the Child Advocate	-	-	-	-
Commission on Deaf & Hard of Hearing	-	-	-	-
RI Developmental Disabilities Council	-	-	-	-
Governor's Commission on Disabilities	-	-	-	500,000
Commission for Human Rights	-	-	-	-
Office of the Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 5,403,022	\$ 6,425,107	\$ 6,509,218	\$ 8,984,149
Education				
Elementary and Secondary	694,529	410,940	628,031	819,060
Higher Education - Board of Governors	345,757,152	379,628,719	395,251,464	411,213,717
RI Council on the Arts	-	-	-	-
RI Atomic Energy Commission	177,690	149,449	143,889	153,626
Higher Education Assistance Authority	145,144	1,162,902	4,196,779	4,062,797
Historical Preservation and Heritage Commiss	147,900	-	-	-
Public Telecommunications Authority	445,606	520,693	683,904	2,991,249
Subtotal - Education	\$ 347,368,021	\$ 381,872,703	\$ 400,904,067	\$ 419,240,449

Expenditures From Other Funds

	FY 2001	FY 2002	FY 2003	FY 2004
	Actual	Unaudited	Revised	Enacted
Public Safety				
Attorney General	-	-	-	-
Corrections	2,336,298	3,954,873	2,779,993	3,571,392
Judicial	668,229	3,642,620	228,727	315,500
Military Staff	212,982	396,658	563,758	1,037,500
E-911 Emergency Telephone System	-	-	-	-
Fire Safety Code Board of Appeal & Review	-	-	-	-
State Fire Marshal	-	-	-	-
Commission on Judicial Tenure & Discipline	-	-	-	-
Rhode Island Justice Commission	-	-	-	-
Municipal Police Training Academy	-	-	-	-
State Police	2,297,427	2,637,666	2,286,574	2,205,321
Office Of Public Defender	-	-	-	-
Sheriffs of Several Counties	-	-	-	-
Subtotal - Public Safety	\$ 5,514,936	\$ 10,631,817	\$ 5,859,052	\$ 7,129,713
Natural Resources				
Environmental Management	6,065,952	3,533,608	2,893,729	5,009,319
Coastal Resources Management Council	-	-	317,000	968,267
Water Resources Board	750,420	429,249	280,538	80,000
Subtotal - Natural Resources	\$ 6,816,372	\$ 3,962,857	\$ 3,491,267	\$ 6,057,586
Transportation				
Transportation	93,872,561	105,028,216	93,445,088	103,116,462
Subtotal - Transportation	\$ 93,872,561	\$ 105,028,216	\$ 93,445,088	\$ 103,116,462
Total	\$ 831,176,059	\$ 986,196,762	\$ 970,229,911	\$ 974,646,693

Full-time Equivalent Positions

	FY 2001	FY 2002	FY 2003 Enacted	FY 2003 Revised(1)	FY 2004 (2) Enacted
General Government					
Administration	1,137.0	1,350.0	1,313.4	1,278.2	1,261.2
Business Regulation	111.0	111.0	104.5	106.0	109.0
Labor & Training	561.0	558.0	548.4	538.7	536.7
Legislature*	280.0	280.0	280.0	280.0	280.0
Lieutenant Governor	10.0	10.0	10.0	10.0	10.0
Secretary of State	57.2	59.2	59.0	59.0	59.0
General Treasurer	87.5	87.5	84.5	84.5	84.5
Boards for Design Professionals	4.0	4.0	4.0	4.0	4.0
Board Of Elections	21.3	22.3	20.2	15.0	15.0
Rhode Island Ethics Commission	10.0	10.0	9.5	9.0	9.0
Office of the Governor	50.0	50.0	47.1	47.5	47.5
Public Utilities Commission	44.0	44.0	43.5	43.0	45.0
Rhode Island Commission on Women	2.0	2.0	2.0	2.0	2.0
Subtotal - General Government	2,375.0	2,588.0	2,526.1	2,476.9	2,462.9
Human Services					
Children, Youth, and Families	875.9	868.9	855.5	853.8	849.8
Elderly Affairs	60.6	60.6	57.6	52.6	52.6
Health	476.1	477.1	470.0	506.9	502.9
Human Services	1,142.9	1,139.9	1,105.8	1,069.6	1,058.6
Mental Health, Retardation, & Hospitals	2,138.0	2,138.0	2,102.9	2,067.7	2,021.7
Office of the Child Advocate	13.0	13.0	12.5	12.5	5.8
Commission On the Deaf & Hard of Hearing	3.0	3.0	2.0	3.0	3.0
RI Developmental Disabilities Council	3.0	3.0	2.5	2.0	2.0
Governor's Commission on Disabilities	4.6	4.6	4.6	6.6	6.6
Commission for Human Rights	15.0	17.0	17.0	17.0	15.0
Office of the Mental Health Advocate	3.3	4.3	3.7	3.7	3.7
Subtotal - Human Services	4,735.4	4,729.4	4,634.1	4,595.4	4,521.7
Education					
Elementary and Secondary	343.2	345.2	336.0	328.7	326.7
Higher Education - Board of Governors*	3,578.9	3,589.9	3,540.9	3,487.4	3,472.1
RI State Council On The Arts	6.0	6.0	6.0	6.0	7.0
RI Atomic Energy Commission	8.6	8.6	8.6	8.6	8.6
Higher Education Assistance Authority	46.6	46.6	46.1	45.6	45.6
Historical Preservation and Heritage Commission	17.6	17.6	17.6	17.6	17.6
Public Telecommunications Authority	22.0	22.0	22.0	22.0	22.0
Subtotal - Education	4,022.9	4,035.9	3,977.2	3,915.9	3,899.6

Full-time Equivalent Positions

	FY 2001	FY 2002	FY 2003 Enacted	FY 2003 Revised(1)	FY 2004 (2) Enacted
Public Safety					
Attorney General	228.0	229.0	228.5	227.9	228.5
Corrections	1,596.6	1,550.6	1,515.7	1,538.0	1,522.0
Judicial*	700.0	707.0	721.7	721.7	734.5
Military Staff	94.0	94.0	92.5	90.0	93.0
E-911	47.6	48.6	47.8	47.6	50.6
Fire Safety Code Board of Appeal and Review	2.0	3.0	3.0	3.0	3.0
RI State Fire Marshal	21.5	21.5	21.3	21.0	27.0
Commission on Judicial Tenure and Discipline	1.0	1.0	1.0	1.0	1.0
Rhode Island Justice Commission	9.0	9.0	9.0	9.0	9.0
Municipal Police Training Academy	4.0	4.0	4.0	4.0	4.0
State Police	266.0	267.0	264.0	259.0	257.0
Office of the Public Defender	75.5	79.5	83.4	83.2	86.2
Sheriffs of Several Counties	167.0	-	-	-	-
Subtotal - Public Safety	3,212.2	3,014.2	2,991.9	3,005.4	3,015.8
Natural Resources					
Environmental Management	584.5	585.5	569.1	549.7	539.7
Coastal Resources Management Council	28.0	30.0	28.0	28.0	28.0
Water Resources Board	9.0	9.0	9.0	9.0	9.0
Subtotal - Natural Resources	621.5	624.5	606.1	586.7	576.7
Transportation					
Transportation	864.3	864.3	842.5	820.7	812.7
Subtotal - Transportation	864.3	864.3	842.5	820.7	812.7
Total	15,831.3	15,856.3	15,577.9	15,401.0	15,289.4
(1)Higher Education Exempt Sponsored Research	330.4	335.4	442.7	321.8	319.8
Total All Positions	16,161.7	16,191.7	16,020.6	15,722.8	15,609.2
Statewide Adjustments					
Legislature Exempt			(280.0)	(280.0)	
Judicial Exempt			(721.7)	(721.7)	
Higher Education Exempt Sponsored Research (1)			(442.7)	(321.8)	
Balance of Vacant Positions/Hiring Freeze			(298.3)	(18.4)	
Executive Branch Cap (FY 2003 only)			14,277.9	14,380.9	
Legislature			280.0	280.0	
Judiciary			721.7	721.7	
Total Personnel Authorizations			15,279.6	15,382.6	
(1)Higher Education Exempt Sponsored Research			442.7	321.8	
Total Personnel			15,722.3	15,704.4	
(1)Higher Education Total with Exempt Positions	3,909.3	3,925.3	3,983.6	3,809.2	3,791.9

(1) The legislatively enacted budget does not identify the estimated exempt positions for Higher Education; the amount shown for Higher Education exempt positions is a Budget Office estimates based upon agency data.

General Revenue Budget Surplus Statement

	FY2001 Actual	FY2002 Unaudited*	FY2003 Revised	FY2004 Enacted
Surplus				
Opening Surplus	\$ 91,921,860	\$ 131,182,473	\$ 32,958,534	\$ 35,708,894
Reappropriated Surplus	21,738,956	11,056,417	7,770,429	-
Subtotal	113,660,816	142,238,890	40,728,963	35,708,894
General Taxes	2,011,948,691	1,904,668,895	2,020,039,000	2,111,090,000
Revenue estimators' revision	-	-	(16,339,000)	(11,240,000)
Changes to Adopted Estimates	-	-	318,626	25,935,533
Subtotal	2,011,948,691	1,904,668,895	2,004,018,626	2,125,785,533
Departmental Revenues	261,677,841	244,340,288	270,986,074	215,000,000
Revenue estimators' revision	-	-	13,013,926	1,000,000
Changes to Adopted Estimates	-	-	4,693,147	71,037,601
Subtotal	261,677,841	244,340,288	288,693,147	287,037,601
Other Sources				
Gas Tax Transfers	8,538,413	546,830	10,575,000	9,450,000
Rev Estimators' revision-Gas Tax	-	-	(67,500)	(10,000)
Changes to Adopted Estimates	-	-	14,306,917	(2,832,000)
Other Miscellaneous	97,011,234	232,339,319	159,773,040	35,445,000
Rev Estimators' revision-Miscellaneous	-	-	(4,173,040)	(325,000)
Changes to Adopted Estimates	-	-	29,239,169	36,221,582
Lottery	180,743,897	214,141,576	237,700,000	270,600,000
Revenue Estimators' revision-Lottery	-	-	800,000	9,700,000
Changes to Adopted Estimates	-	-	-	21,470,293
Unclaimed Property	4,460,535	7,419,763	7,900,000	7,220,000
Revenue Estimators' revision-Unclaimed	-	-	900,000	1,840,000
Changes to Adopted Estimates	-	-	-	3,840,000
Subtotal	290,754,079	454,447,488	456,953,586	392,619,875
Total Revenues	\$ 2,564,380,611	\$ 2,603,456,671	\$ 2,749,665,359	\$ 2,805,443,009
Budget Stabilization	(53,126,049)	(54,692,783)	(55,652,478)	(56,823,039)
Total Available	\$ 2,624,915,377	\$ 2,691,002,778	\$ 2,734,741,844	\$ 2,784,328,865
Actual/Enacted Expenditures	\$ 2,482,676,487	\$ 2,650,273,815	\$ 2,664,459,945	\$ 2,783,776,459
Reappropriations	-	-	7,770,429	-
Recommended changes to appropriations	-	-	26,802,576	-
Total Expenditures	\$ 2,482,676,487	\$ 2,650,273,815	\$ 2,699,032,950	\$ 2,783,776,459
Free Surplus	\$ 131,182,473	\$ 32,958,534	\$ 35,708,894	\$ 552,406
Reappropriations	11,056,417	7,770,429	-	-
Total Ending Balances	\$ 142,238,890	\$ 40,728,963	\$ 35,708,894	\$ 552,406
Budget Reserve and Cash				
Stabilization Account	\$ 79,689,074	\$ 82,039,174	\$ 83,478,717	\$ 85,234,557

* Preliminary actual financial results from the State Controller; FY2002 reappropriations adjusted downward by \$42,025 based upon availability of funds.

Changes to FY 2003 Enacted General Revenue Budget

	FY2003 Enacted	FY2003 Revised	Difference
Surplus			
Opening Surplus*	12,223,989	32,958,534	20,734,545
Reappropriated Surplus	-	7,770,429	7,770,429
Subtotal	12,223,989	40,728,963	28,504,974
General Taxes	2,020,039,000	2,020,039,000	-
Revenue estimators' revision	-	(16,339,000)	(16,339,000)
Changes to adopted estimates	-	318,626	318,626
Subtotal	2,020,039,000	2,004,018,626	(16,020,374)
Departmental Revenues	270,986,074	270,986,074	-
Revenue estimators' revision	-	13,013,926	13,013,926
Changes to adopted estimates	-	4,693,147	4,693,147
Subtotal	270,986,074	288,693,147	17,707,073
Other Sources			
Gas Tax Transfers	10,575,000	10,575,000	-
Rev Estimators' revision-Gas Tax	-	(67,500)	(67,500)
Changes to adopted estimates	-	14,306,917	14,306,917
Other Miscellaneous	159,773,040	159,773,040	-
Rev Estimators' revision-Miscellaneous	-	(4,173,040)	(4,173,040)
Changes to adopted estimates	-	29,239,169	29,239,169
Lottery	237,700,000	237,700,000	-
Revenue Estimators' revision-Lottery	-	800,000	800,000
Unclaimed Property	7,900,000	7,900,000	-
Revenue Estimators' revision-Unclaimed	-	900,000	900,000
Subtotal	415,948,040	456,953,586	41,005,546
Total Revenues	2,706,973,114	2,749,665,359	42,692,245
Budget Stabilization	(54,383,942)	(55,652,478)	(1,268,536)
Total Available	2,664,813,161	2,734,741,844	69,928,682
Actual/Enacted Expenditures	2,664,459,945	2,664,459,945	-
Reappropriations	-	7,770,429	7,770,429
Supplemental appropriation	-	26,802,576	26,802,576
Total Expenditures	2,664,459,945	2,699,032,950	34,573,005
Free Surplus	353,216	35,708,894	35,355,677
Reappropriations	-	-	-
Total Ending Balances	353,216	35,708,894	35,355,677
Budget Reserve and Cash			
Stabilization Account	81,475,970	83,478,717	2,002,747

* Reflects Controller's preliminary opening surplus

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
<u>General Government</u>				
Administration				
Central Management	1,826,502			
Unrealized Turnover			140,806	
Legal Services			(6,000)	
Miscellaneous Special Services			104,125	
Operating			(2,220)	
Information Processing ISF Charges			11,000	
	1,826,502	-	247,711	2,074,213
Accounts & Control	9,163,236			
Information Processing ISF Charges			175,000	
State Retiree Health Subsidy Adjustment			(351,986)	
	9,163,236	-	(176,986)	8,986,250
Budgeting	2,128,213			
Personnel			(57,412)	
Management Services			50,000	
Operating			7,412	
	2,128,213	-	-	2,128,213
Municipal Affairs	1,197,100			
Purchased Services			20,000	
Operating			(5,700)	
Information Processing			14,000	
Personnel			11,116	
	1,197,100		39,416	1,236,516
Purchasing	1,963,836			
	1,963,836	-	-	1,963,836
Auditing	1,586,473			
Personnel			65,447	
Operating			(1,170)	
Information Processing ISF Charges			5,000	
	1,586,473		69,277	1,655,750

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Human Resources	6,861,802			
Management/Audit Services			186,650	
Legal Services			168,826	
Lecturers			(7,194)	
Operating			(7,718)	
Information Processing ISF Charges			13,454	
Personnel			(38,708)	
	6,861,802		315,310	7,177,112
Personnel Appeal Board	116,296			
	116,296			116,296
Taxation	16,029,808			
Unrealized Turnover			577,009	
Temporary and Seasonal Employees			329,500	
Operating			55,276	
IP - Reduction due to Staff Change			(527,186)	
Added Personnel to Offset OIP Charges			527,186	
Purchased Services			(17,350)	
Information Processing ISF Charges			100,000	
	16,029,808		1,044,435	17,074,243
Registry	14,317,343	300,000		
Unrealized Turnover			27,411	
Operating			36,557	
Postage			122,295	
Printing and Binding			66,934	
Rental of Outside Property			90,802	
Commercial License Project			55,682	
Overtime			150,000	
Information Processing ISF Charges			74,000	
	14,317,343	300,000	623,681	15,241,024
Child Support	3,340,958			
Legal Services			205,693	
Miscellaneous Special Services			(221,000)	
Personnel			56,203	
Operating			23,442	
	3,340,958		64,338	3,405,296

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Central Services	11,941,675	518,103		
Central Services Personnel			(4,727)	
Central Services Out of State Travel			2,550	
Energy Office Grants			40,974	
Capitol Police Overtime			128,326	
Capitol Police Personnel			(148,266)	
Capitol Police Operating			(8,520)	
Property Management Personnel			(25,160)	
Property Management Building Maintenance			(86,248)	
Property Management Operating			65,905	
Building Commission Personnel			(188,508)	
Building Commission Operating			91,855	
Manton Avenue Expenses			17,577	
Additional Capitol Police Personnel			277,179	
Information Processing ISF Charges			9,000	
Renewable Energy Program			2,500,000	
Transfer 2.0 FTE to Com on Disabilities		(164,145)		
	11,941,675	353,958	2,671,937	14,967,570
Office of Library & Information Services	2,386,503			
Library Services Personnel			110,275	
Library Services Operating			(12,536)	
Statewide Planning Personnel			45,608	
Statewide Planning Operating			(29,694)	
Restore Chief Information Officer Position			68,623	
Station Fire Expenses			7,000	
Information Processing ISF Charges			10,000	
	2,386,503		199,276	2,585,779
General	209,189,178	1,537,836		
Miscellaneous Grants			(2,500)	
Race/Police Relations Commission Legal			(39,000)	
RPCRC Miscellaneous Special Services			37,438	
RPCRC Operating			3,470	
Distressed Communities Relief Fund			(133,333)	
Library Construction Aid			(171,000)	
Motor Vehicle Excise Tax Payments			(1,041,176)	
Economic Policy Council			100,000	
Property Revaluation Program			530,220	
Contingency Fund			(1,610,000)	
Masonic Temple			500,000	
Torts			800,000	
Shepard Building Operating/Parking			400,000	
	209,189,178	1,537,836	(625,881)	210,101,133

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Debt Service Payments	60,322,443			
General Obligation Debt Service			8,140,730	
COPS - Center General			77,896	
COPS - DLT Furniture			1,182	
COPS - Pastore Telecommunications			4,206	
COPS - Attorney General			(210,866)	
COPS - Intake Center			69,800	
COPS - Pastore Power Plant			(1,057,783)	
RI Refunding Bond Authority Lease Payments			140,645	
Fidelity Job Rent Credits			(158,167)	
Affordable Housing/Travelers Aid Payments			(180,337)	
McCoy Stadium - Variable Rate Debt Service			(83,625)	
Convention Center Lease Payment			1,000,000	
Interest on TANS			600,226	
	60,322,443		8,343,907	68,666,350
Sheriffs	13,258,298			
Medical Payments			300,000	
Security Services			(100,000)	
Operating			0	
Food			24,292	
Automotive Maintenance			100,990	
Out of State Travel			75,000	
	13,258,298		400,282	13,658,580
	355,629,664	2,191,794	13,216,703	371,038,161
Business Regulation				
Central Management	1,490,161			
Personnel			74,950	
Operating			(10,178)	
	1,490,161		64,772	1,554,933
Banking Regulation	1,480,617			
Personnel			87,245	
Operating			1,039	
	1,480,617		88,284	1,568,901
Securities Regulation	648,258			
Personnel			94,240	
Operating			(1,547)	
	648,258		92,693	740,951

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Commercial Licensing and Regulation	943,445			
Personnel			144,848	
Operating			(9,085)	
Grants and Benefits			190	
			-	
Statewide Medical Benefits			1,496	
	943,445		137,449	1,080,894
Racing and Athletics	593,312	-		
Personnel			49,740	
Operating			449	
Grants and Benefits			864	
Statewide Medical Benefits			578	
	593,312		51,631	644,943
Insurance Regulation	3,263,779			
Personnel			55,311	
Personnel Services			1,400	
Operating			(38,955)	
Gramm-Leach-Bliley		489,000	-	
Grants and Benefits			190	
	3,263,779	489,000	17,946	3,770,725
Board of Accountancy	121,368			
Personnel			11,842	
Contract Services			10,000	
Operating			(7,254)	
	121,368		14,588	135,956
Total	8,540,940	489,000	467,363	9,497,303

Labor and Training

Central Management	403,686			
Personnel			(35,192)	
Purchased Services			(24,374)	
Operating/Grants and Benefits			(1,387)	
	403,686		(60,953)	342,733
Workforce Regulation and Safety	3,243,072			
Purchased Services			9,319	
Operating			(16,638)	
Grants and Benefits			(6,026)	
Personnel			6,691	
	3,243,072		(6,654)	3,236,418

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Income Support	2,764,637			
Personnel and Operating			(450)	
Police and Fire Relief Payments			84,258	
Grants and Benefits			(410)	
	2,764,637		83,398	2,848,035
Labor Relations Board	374,056			
Personnel			247	
Operating/Grants and Benefits			(166)	
	374,056		81	374,137
Total	6,785,451	-	15,872	6,801,323
Legislature				
Legislature	26,055,589			
General Assembly		982,741		
House Fiscal Advisory Staff		240,307		
Joint Committee on Legislative Affairs		1,111,189		
Auditor General		11,782		
Martin Luther King		5,884		
Total	26,055,589	2,351,903	-	28,407,492
Office of the Lieutenant Governor				
Lt. Governor's Office - General	805,721			
			-	
Personnel turnover			(13,582)	
Computer purchase			8,406	
Lieutenant Governor Salary Increase			5,176	
Total	805,721	-	-	805,721
Secretary of State				
Administration	1,162,336			
			-	
Salary and Fringe Benefits			9,901	
Operating/Transition Expenses			2,505	
	1,162,336		12,406	1,174,742

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Corporations	1,690,288			
Salary and Fringe benefits			92,448	
Purchased Services			(812)	
Operating			3,555	
			-	
	1,690,288		95,191	1,785,479
State Archives	285,418	-		
Salary and Fringe benefits			18,143	
Purchased Services			(344)	
Operating			(8,028)	
	285,418		9,771	295,189
Elections	1,566,999			
Salary and Fringe benefits			22,806	
Purchased Services			(11,885)	
Operating			(55,660)	
	1,566,999		(44,739)	1,522,260
State Library	712,046			
Salary and Fringe benefits			9,695	
Operating Expenses			(9,101)	
Grants and Benefits			(1,775)	
	712,046		(1,181)	710,865
Office of Public Information	497,681			
Salary and Fringe benefits			2,732	
Purchased Services			(4,922)	
Operating			(6,354)	
	497,681		(8,544)	489,137
Total	5,914,768	-	62,904	5,977,672

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Office of the General Treasurer				
Treasury	2,719,532	-		
Payroll			25,562	
Consultants			(5,848)	
Operating			14,283	
General Treasurer Salary Increase			5,156	
	2,719,532		39,153	2,758,685
RI Refunding Bond Authority	86,129			
Payroll			(6,583)	
Operating			6,500	
	86,129		(83)	86,046
Crime Victim Compensation Program	711,699			
Payroll			(38,320)	
Operating			(750)	
	711,699		(39,070)	672,629
Total	3,517,360	-	-	3,517,360
Boards For Design Professionals				
Boards For Design Professionals	378,802			
Operating			(6,297)	
Personnel			(1,217)	
Management/Audit Services			4,400	
Examination Fees			1,500	
Legal Services			46,614	
Total	378,802	-	45,000	423,802
Board of Elections				
Board Of Elections	5,396,412			
Salaries and Fringe Benefits			(55,676)	
Campaign Finance Audit			143,800	
Temp. Staff Election/Nursing Home Sp			4,975	
Legal Services			40,000	
Other Purchased Services			2,620	
Operating		-	117,606	
Matching Public Funds			(2,546,069)	
Total	5,396,412	-	(2,292,744)	3,103,668

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
RI Ethics Commissions				
RI Ethics Commission	926,278			
Personnel		-	(31,156)	
Contract Services - Legal			6,108	
Other Operating			791	
Total	926,278	-	(24,257)	902,021
Office of the Governor				
Office Of Governor	5,077,251			
Quonset Environmental Impact Study		1,085,615	-	
Personnel turnover			(51,123)	
Governor Salary Increase			6,123	
Contract Service Costs			45,000	
Transition Costs			200,000	
Total	5,077,251	1,085,615	200,000	6,362,866
Public Utilities Commission				
Public Utilities Commission	705,611			
Payroll - Turnover (LWOP)			(43,996)	
Contract Services			12,500	
SSRS Refunds			5,000	
Computer Hardware - Final Phase w/RISP			8,000	
Retiree Benefits			68	
Other Operating			5,644	
Total	705,611	-	(12,784)	692,827
Rhode Island Commission on Women				
Rhode Island Commission on Women	143,489			
Personnel			1,357	
Operating			(1,357)	
Total	143,489	-	-	143,489
Sub-Total General Government	419,877,336	6,118,312	11,678,057	437,673,705

Human Services

Children, Youth, and Families

Central Management	7,585,782			
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Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Salaries and Fringe Benefits			292,661	
Legal Svcs. Federal Court/Purchased Svcs.			76,803	
Operating			(78,916)	
	7,585,782		290,548	7,876,330
Children's Behavioral Health	23,730,447			
			-	
Salaries and Fringe Benefits			(45,038)	
Purchased Services			(22,787)	
Operating			389	
RCC/CIS/Prevention and Treatment			(430,176)	
Psychiatric Hospitalization - Medicaid			982,240	
Mobile Crisis Teams			(141,332)	
Medicaid Direct Services/Admin.			(150,081)	
Jobs & Growth Act of 2003 - Medicaid			(802,176)	
CASSP Programs/Project Reach			(764,023)	
	23,730,447		(1,372,984)	22,357,463
Juvenile Corrections	25,380,712			
		-		
Salaries and Fringe Benefits			(93,104)	
Consultant Services			357,933	
Operating			(159,070)	
Probation & Parole Retro Salary Settlement			263,500	
Jobs & Growth Act of 2003 - Medicaid			(41,996)	
Grants and Benefits			119,684	
	25,380,712	-	446,947	25,827,659
Child Welfare	82,627,996			
		-		
Salaries and Fringe Benefits			1,060,683	
Security/Other Purchased Services			217,199	
Operating			77,146	
Child Abuse and Neglect Prevention			(13,443)	
Board and Support			(2,625,389)	
Foster Care and Adoption			(156,846)	
Medicaid/Residential/CES/PES			1,017,827	
Purchase of Service Placements			(41,412)	
Other Misc. Grants			(75,537)	
Jobs & Growth Act of 2003 - Medicaid			(296,490)	
Targeted Case Management			2,337,318	
	82,627,996	-	1,501,056	84,129,052

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Higher Education Opportunity Incentive Grant	200,000	-	-	
		8,291		
Total	200,000	8,291	-	208,291
Total	139,524,937	8,291	865,567	140,398,795
Elderly Affairs				
Elderly Affairs	26,832,885			
Personnel			(257,296)	
Operating			46,912	
Rental of Outside Property			162,319	
Rental of State Property			208,260	
Correctional Industries			21,000	
Grants			(70,871)	
Reduced RIPAE Costs			(236,359)	
Medicaid - FY 03 JGTRRA			(14,197)	
Transportation Program			152,000	
Governor's Conference on Aging			(10,000)	
Total	26,832,885	-	1,768	26,834,653
Health				
Central Management	2,615,537			
Personnel			(9,160)	
Operating			9,160	
	2,615,537		-	2,615,537
State Medical Examiner	1,746,971			
Personnel			(15,369)	
West Warwick Fire Tragedy			41,120	
Operating			15,370	
	1,746,971		41,121	1,788,092
Family Health	8,498,397			
Personnel			(71,933)	
Operating			80,526	
Federal FY 03 JGTRRA - Medicaid			(51,385)	
West Warwick Fire Tragedy			301	
Grants			(8,592)	
Early Intervention			900,000	
	8,498,397		848,917	9,347,314

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Health Services Regulation	4,466,358			
Personnel			(30,269)	
Operating			34,319	
Grants			(4,050)	
	4,466,358		-	4,466,358
Environmental Health	4,168,440			
Personnel			(1,081)	
Operating			(8,691)	
Federal FY 03 JGTRRA - Medicaid			(4,191)	
Grants			9,033	
Local Aid			740	
	4,168,440		(4,190)	4,164,250
Health Laboratories	6,183,061			
Personnel			(391,949)	
Operating			390,450	
West Warwick Fire Tragedy			33,579	
Grants			1,500	
	6,183,061		33,580	6,216,641
Disease Prevention and Control	5,783,134			
Personnel			426,504	
Operating			(886)	
Grants			(425,616)	
Federal FY 03 JGTRRA - Medicaid			(146)	
Loan Repayment Program			60,000	
	5,783,134		59,856	5,842,990
Total	33,461,898	-	979,284	34,441,182
Human Services				
Central Management	6,872,494			
Reallocation to Medical Benefits- GME		(425,000)	-	
Increase RIHMFC Emergency Housing Grants			250,000	
Personnel			(116,426)	
Operating			9,865	
Offsets to increased indirect cost recoveries			(97,296)	
	6,872,494	(425,000)	46,143	6,493,637
Individual and Family Support	20,218,898			
Personnel			(425,994)	
Contract Services			(19,033)	

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Operating			102,718	
Grants			(16,620)	
	20,218,898		(358,929)	19,859,969
Veterans' Affairs	15,285,665			
Offsets to increased federal reimbursements			(200,961)	
Personnel			240,930	
Contract services			96,104	
Operating			(52,170)	
Gulf War Study			31,000	
	15,285,665		114,903	15,400,568
Health Care Quality, Financing and Purchasing	22,970,347	256,348		
Personnel			(350,202)	
Building rentals			185,683	
Operating			37,678	
	22,970,347	256,348	(126,841)	23,099,854
Medical Benefits	441,603,105		-	
Reallocation from Central Management- GME		425,000		
S-CHIP claiming, alien mothers			(563,178)	
Caseload Conference			13,135,073	
Jobs and Growth Tax Relief Act			(6,161,256)	
	441,603,105	425,000	6,410,639	448,438,744
S.S.I. Program- Caseload Conference	28,296,326		(1,342,766)	
	28,296,326	-	(1,342,766)	26,953,560
Family Independence Program	69,515,533			
TANF/FIP Caseload Conference			703,656	
Child Care- Caseload Conference			(4,659,519)	
	69,515,533	-	(3,955,863)	65,559,670
State Funded Programs	3,705,223			
Food Stamps-Caseload Conference			(5,119)	
GPA- Caseload Conference			84,837	
GPA- Non-Caseload Conference			410,808	
	3,705,223	-	490,526	4,195,749
Total	608,467,591	256,348	1,277,812	610,001,751

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Mental Health, Retardation, & Hospitals				
Central Management	2,073,147			
Salaries and Fringe Benefits			51,996	
Purchased Services			-	
	2,073,147		51,996	2,125,143
Hosp. & Community System Support	19,334,229			
Salaries and Fringe Benefits			(108,875)	
Computer Programming/Legal Services			84,205	
Temporary Boilers and Generators			519,407	
Purchased Electricity			526,358	
Sewer Bill/Other Operating			(322,521)	
Total	19,334,229		698,574	20,032,803
Services. for the Developmentally Disabled	99,005,284			
Salaries and Fringe Benefits			197,231	
Medical Consultants			71,117	
Operating			30,040	
Group Home Provider Tax			46,670	
Jobs and Growth Tax Relief Act			(1,776,651)	
Grants and Benefits/Healthcare			(52,923)	
Pirovano Trust		148,190	-	
	99,005,284	148,190	(1,484,516)	97,668,958
Integrated Mental Health Services	31,625,545			
Salary and Fringe Benefits			30,045	
Consultant Services			(10,700)	
Operating			7,948	
Jobs and Growth Tax Relief Act			(372,628)	
Medicaid & In-patient Hospital Services			1,991,598	
	31,625,545		1,646,263	33,271,808
Hosp. & Community Rehabilitation Services	51,569,478			
Salaries and Fringe Benefits			(259,400)	

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Medical Services/JCAHO Sur. Prep			32,494	
Purchased Pharmacy Services			80,000	
Operating			(200,453)	
Jobs and Growth Tax Relief Act			(1,087,113)	
Grants and benefits			532	
	51,569,478		(1,433,940)	50,135,538
Substance Abuse	15,225,735			
Salaries and Fringe Benefits			(68,688)	
Operating/Shift Detox Program to grants			(3,053,642)	
Jobs and Growth Tax Relief Act			3,745	
Detox Program shift/Other grants			3,147,145	
	15,225,735	-	28,560	15,254,295
Total	218,833,418	148,190	(493,063)	218,488,545
Office of the Child Advocate	494,552			
Personnel Adjustments			16,556	
Medicaid Adjustment - Fed FY 03 JGTRRA			(1,822)	
Personnel Cost Allocation			(10,000)	
Operating			(8,000)	
Statewide Medical Benefits			1,444	
			-	
Total	494,552	-	(1,822)	492,730
Commission on Deaf and Hard of Hearing	261,397			
Personnel Adjustments			1,546	
Adjustment to Interpreter Services			(1,546)	
			-	
Total	261,397	-	-	261,397
Governor's Commission on Disabilities	320,739			
Transfer 2.0 FTEs from DOA		164,145		
Personnel Upgrades			4,412	
Other Agency Operations			(7,702)	
Total	320,739	164,145	(3,290)	481,594
Commission for Human Rights	769,603			
Payroll			21,138	
Other Operating			23,764	
Student Interns/Fellows			(10,000)	
Statewide Medical - Vision			152	
Total	769,603		35,054	804,657

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Office of the Mental Health Advocate	296,859			
Salary and Fringe Benefits			259	
Legal Fees			205	
Operating			(464)	
Total	296,859		-	296,859
Sub-Total Human Services	1,029,263,879	576,974	2,661,310	1,032,502,163
<u>Education</u>				
Elementary and Secondary Education				
State Aid	636,713,094			
Charter School Aid			(77,636)	
Textbook Reimbursements			(151,000)	
SALT Visits			(10,700)	
	636,713,094		(239,336)	636,473,758
School Housing Aid	33,422,193			
Estimate of School Construction Costs			4,810,162	
	33,422,193		4,810,162	38,232,355
Teacher's Retirement	38,438,739			
Teacher Retirement Costs			(366,386)	
Teacher Retiree Health Cost Adjustments			-	
	38,438,739		(366,386)	38,072,353
RI School for the Deaf	5,549,688			
Medicaid adjustment			(16,402)	
	5,549,688		(16,402)	5,533,286
Central Falls School District	-	-	-	-
Davies Career & Technical School	10,675,791			
Davies Van		38,536		
	10,675,791	38,536	-	10,714,327
Met. Career & Tech. School	-			
Program Operations	14,573,498			

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
NCPE Contract			(75,000)	
	14,573,498	-	(75,000)	14,498,498
Total	739,373,003	38,536	4,113,038	743,524,577
Higher Education	169,438,085			
Personnel Adjustments			177,783	
Total	169,438,085	-	177,783	169,615,868
RI Council On The Arts	2,300,377			
Total	2,300,377	-	-	2,300,377
RI Atomic Energy Commission	639,681			
Atomic Energy Commission				
Personnel			36,977	
Operating			(4,377)	
			-	
			-	
Total	639,681	-	32,600	672,281
RI Higher Education Assistance Authority	6,017,046			
Personnel Adjustments			(25,709)	
Operating			18,584	
New England Higher Education Compact			7,125	
Total	6,017,046	-	-	6,017,046
RI Historical Preservation & Heritage Commission	879,201			
Personnel			134,663	
Operating			(2,022)	
Eisenhower House Operating			29,261	
Total	879,201	-	161,902	1,041,103
RI Public Telecommunications Authority	1,225,383			
Production equipment		66,610	-	
Restoration of closed -captioning			29,536	
Personnel reductions			(4,936)	
Operating reductions			(24,600)	
Total	1,225,383	66,610	-	1,291,993
Sub-Total Education	919,872,776	105,146	4,485,323	924,463,245

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
<u>Public Safety</u>				
Attorney General				
Criminal	9,941,878			
Crime Lab		23,100		
Criminal - for FY 02 expenditures		93,000		
Personnel			203,226	
Purchased Services			18,010	
Operating			(18,621)	
Computer Software			(105,750)	
	9,941,878	116,100	96,865	10,154,843
Civil	3,507,930			
Racial Profiling		18,000	71,000	
Personnel			(16,956)	
Purchased Services			10,273	
Operating			13,768	
Computer Software			(12,500)	
	3,507,930	18,000	65,585	3,591,515
Bureau of Criminal Identification	636,057			
BCI Maintenance Costs		18,500		
Personnel			29,436	
Purchased Services			4,960	
Operating			16,155	
	636,057	18,500	50,551	705,108
General	1,570,191			
Transition Costs		15,858	20,000	
Personnel			(10,129)	
Purchased Services			(1,860)	
Operating			(9,012)	
Attorney General Salary Increase			(5,481)	
Station Fire			31,300	
	1,570,191	15,858	24,818	1,610,867
Total	15,656,056	168,458	237,819	16,062,333

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Corrections				
Central Management	9,054,416			
Payroll			10,997	
Purchased Services			(27,745)	
Operating			26,964	
Station Fire Expenses			17,800	
Grants			(1,350)	
			-	
	9,054,416		26,666	9,081,082
Parole Board	891,559			
Payroll			23,143	
Purchased Services			(281)	
Operating			5,917	
	891,559	-	28,779	920,338
Institutions Corrections	108,451,651			
Other Payroll			502,849	
SCAAP Federal Funds offset			491,000	
Population-Related Payroll & Overtime			724,822	
Federal Detainee Revenue Decrease			2,847,000	
RIBCO Retro			(225,131)	
Other Purchased Services			29,244	
Physicians/Nursing Contracts			284,254	
Other Operating			(148,104)	
Video Arraignment			72,105	
Population-Related Operating			959,060	
Shift Outpatient/Inpatient Services			211,906	
Prescription Drugs			893,177	
Inmate Payroll			48,379	
Other Grants			(2,043)	
Capital Repairs			(72,399)	
Total	108,451,651		6,616,119	115,067,770
Community Corrections	10,908,887			
Other Payroll		-	(228,386)	
Probation & Parole Retroactive Costs			375,509	
Probation & Parole Upgrade			113,000	

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Purchased Services			(13,048)	
Operating			(24,845)	
	10,908,887	-	222,230	11,131,117
Total	129,306,513	-	6,893,794	136,200,307
Judiciary				
Supreme Court	21,095,324			
Civil Computer System (reallocate reapprop)			544,870	
Payroll Turnover			(360,311)	
Judicial Pensions			76,715	
Indigent Defense Fund			100,000	
Utilities (electricity/heating/water)			166,318	
Purchased Services			16,070	
	21,095,324	-	543,662	21,638,986
Justice Link	909,580			
Computer Equipment		565,913	(815,529)	
Purchased Services			(242,476)	
	909,580	565,913	(1,058,005)	417,488
Superior Court	15,922,344			
Payroll			137,629	
Judicial Pensions			32,946	
Purchased Services			(3,000)	
Operating (postage/printing/other)			(8,138)	
Jury Commissioner (operating costs)			38,282	
Witness Fees			(20,000)	
Jurors Fees/Expenses			15,000	
	15,922,344		192,719	16,115,063
Family Court	11,934,221			
Payroll Turnover			(93,594)	
State Match-Child Support Enforcement			89,897	
Purchased Services			12,412	
Operating (mileage/postage/other)			129	
Judicial Pensions			12,500	
	11,934,221		21,344	11,955,565

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
District Court	7,490,297			
Payroll			108,814	
Operating (telephone/other)			14,649	
Judicial Pensions			102,423	
	7,490,297		225,886	7,716,183
Traffic Tribunal	5,884,651			
Personnel			38,179	
Operating (telephone/mileage/other)			36,215	
	5,884,651		74,394	5,959,045
Total	63,236,417	565,913	-	63,802,330
Military Staff				
National Guard	1,753,857			
Payroll			(19,351)	
Security Guards			(12,904)	
Firing Squads/Buglers			(4,541)	
Firefighters Overtime			8,537	
Purchased Services			(500)	
Maintenance			22,500	
Electricity			26,660	
Repairs			(10,000)	
Other Operating			499	
Veteran's Bonuses			2,000	
	1,753,857		12,900	1,766,757
Emergency Management	454,820			
Payroll			(4,737)	
State Match (50% 2.0 FTE) (Homeland Security Supplemental)			37,048	
Station Fire Expenses			115,000	
Other Operating			4,645	
	454,820		151,956	606,776
Total	2,208,677	-	164,856	2,373,533
E-911 Emergency Telephone System				
	4,012,646			
Personnel and Operating Savings			(3,810)	
Overtime			126,205	
GIS Database Development			(126,205)	
GIS Software			11,000	

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Statewide Retirement (retiree health)			3,810	
Total	4,012,646	-	11,000	4,023,646
Fire Safety Code Commission				
Fire Code Commission	225,329			
Personnel Adjustments			8,115	
Statewide Medical Benefits			338	
			-	
			-	
Total	225,329	-	8,453	233,782
State Fire Marshal				
State Fire Marshal	1,464,538			
Burn Trailer			(50,000)	
Personnel Adjustments			(5,017)	
Operating			5,016	
			-	
Total	1,464,538	-	(50,001)	1,414,537
Commission on Judicial Tenure and Discipline	109,235			
Operating Savings			(387)	
Legal Services			35,000	
Personnel Adjustments			387	
Total	109,235	-	35,000	144,235
Rhode Island Justice Commission				
Rhode Island Justice Commission	171,791			
Personnel Adjustments			2,578	
Other Operating			(2,578)	
Total	171,791	-	-	171,791
Municipal Police Training Academy	351,227			
Total	351,227	-	-	351,227
State Police				
State Police	37,835,321			
Personnel			(31,584)	
Airport Overtime			45,964	
Purchased Services			12,615	
Vehicle maintenance Costs			319,660	
Other Operating Costs			16,247	
Station Fire Expenses			45,000	

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Pension Costs			344,796	-
Total	37,835,321	-	752,698	38,588,019
Office Of Public Defender				
Public Defenders Office	5,845,107			
Intake Unit - Restore Reduction			147,093	
Personnel			117	
Insurance Loss - Property Damage			13,115	
IT - Internet Connectivity			8,055	
Total	5,845,107	-	168,380	6,013,487
Sub-Total Public Safety	260,422,857	734,371	8,221,999	269,379,227
<u>Natural Resources</u>				
Environmental Management				
Policy and Administration	8,044,350			
Unachieved turnover			78,122	
Operating Adjustments			15,900	
	8,044,350	-	94,022	8,138,372
Natural Resources	14,925,687			
Additional Personnel Offsets			(60,000)	
Parks Seasonal			93,431	
Unachieved Turnover			39,153	
Agriculture			10,094	
Enforcement vacancies			(93,552)	
Increase Forestry Personnel			50,000	
Operating			39,723	
Increase Payment to Host Beach Communities			11,716	
	14,925,687		90,565	15,016,252
Environmental Protection	9,593,185			
Adjust RoseHill Landfill State Share			(520,000)	
Operating Adjustments			(13,000)	
Personnel Adjustments			(139,835)	
Pollution Prevention Program Add-back			12,000	

Changes to FY 2003 Enacted General Revenue Expenditures

	FY2003 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2003 Projected Expenditures
Reverse Unavailable Restricted Balances	9,593,185		290,000 (370,835)	9,222,350
Total	32,563,222	-	(186,248)	32,376,974
Coastal Resources Management Council	1,468,839			
Database Management System		235,626	-	
Vacancy Adjustments			(124,095)	
			-	
Total	1,468,839	235,626	(124,095)	1,580,370
State Water Resources Board	991,036			
Personnel			55,452	
Computer Supplies			1,500	
Smoke Damage Deductible			3,528	
Education Grant			5,750	
Total	991,036	-	66,230	1,057,266
Sub-Total Environment	35,023,097	235,626	(244,113)	35,014,610
Statewide General Revenue Total	2,664,459,945	7,770,429	26,802,576	2,699,032,950

Changes to FY 2003 Enacted Transportation Expenditures

	FY2003 Enacted Appropriation	Carry Over From FY2002 Appropriations	Supplemental Changes	FY2003 Revised
Transportation ISTEA Fund Changes				
Central Management	3,149,891			
Personnel			(124,674)	
Operating			(1,140)	
Capital Improvements			73,400	
	3,149,891	-	(52,414)	3,097,477
Management & Budget	1,956,849			
Personnel			(4,572)	
Operating			3,575	
Capital Improvements			9,201	
	1,956,849	-	8,204	1,965,053
Infrastructure-Maintenance	39,614,964			
Personnel			203,211	
Operating			224,712	
Grants and Benefits			(800)	
Capital Improvements			137,486	
Welcome Center		600,000		
	39,614,964	600,000	564,609	40,779,573
Infrastructure-Engineering	39,315,704			
Personnel			293	
Operating			18,030	
Grants and Benefits			200	
Capital Improvements - State Match		152,645	332,289	
RIPTA Savings from Defeasance/Refunding			511,324	
	39,315,704	152,645	862,136	40,330,485
Total Transportation	84,037,408	752,645	1,382,535	86,172,588
Gas tax budgeted outside DOT				
DOT Debt service	41,265,753			
DOT G.O. Bond Defeasance			(13,896,086)	
DOT G.O. Refunding Savings			(410,831)	26,958,836
RIPTA Debt Service				
RIPTA G.O. Bond Defeasance	920,703		(410,964)	
RIPTA G.O. Refunding Savings			(100,360)	409,379
	42,186,456	-	(14,818,241)	27,368,215
DEA- Elderly Transportation	4,670,000		-	4,670,000
Total Gas Tax for Transportation	130,893,864	752,645	(13,435,706)	118,210,803

Changes are reflective of gas tax funding only. Excludes changes to anticipated revenue from land sales and usage of State Infrastructure Bank funds and Outdoor Advertising.

Formula Aid to Cities and Towns

The FY 2004 enacted budget for formula aid to cities and towns totals \$211.4 million. This represents a 5.2 percent, or \$10.5 million, increase from the FY 2003 revised level of funding. The table on the following page displays FY 2004 enacted levels of funding for formula aid to cities and towns by community. The narrative below describes each of the programs included on the tables.

***General
Revenue
Sharing***

Beginning in FY 1994, one percent of total state tax revenues from the second prior fiscal year was earmarked for general state aid to cities and towns. Beginning in FY 1999, this percentage has been increased annually and will continue until reaching 4.7 percent in FY 2010. The FY 2003 enacted budget postponed the increase from 2.4 percent to 2.7 percent to FY 2004. Funds are distributed based on a legislated formula encompassing per-capita income and the taxes imposed by each city or town for public purposes, excluding amounts allocated to education expenses.

***Payment in Lieu of
Tax Exempt Property
(PILOT)***

Legislation creating this program enables the State of Rhode Island to reimburse cities and towns for property taxes that would have been due on certain types of real property which are exempted from taxation by state law. This includes property owned by nonprofit educational institutions, nonprofit hospitals, or any state owned hospital, veterans' residential facility, airport or correctional facility. Reimbursement is made for twenty-seven percent of all tax that would have been collected had the property been taxable, prorated by the amount appropriated for a given fiscal year.

***Distressed
Communities Relief
Program***

This program provides state assistance to those Rhode Island communities with the highest property tax burdens relative to the wealth of taxpayers. Funding for this program is derived from \$5.0 million from the video lottery terminal revenue and the state's receipts from the real estate conveyance tax.

***Public Service
Corporation Tax***

The tangible personal property of telegraph, cable and telecommunications corporations is exempted from local taxation, but is subject to taxation by the state. Funds collected from this tax are distributed to cities and towns within the state based on the ratio of the city or town population to the population of the State as a whole. This funding is a pass-thru to the local communities and is not appropriated by the state as part of the annual budget.

Library Aid

This program provides financial support for local public library services and for the construction and capital improvement of any free public library. A portion of library aid is disbursed directly to local public and private libraries while other aid is disbursed to the individual cities and towns.

***Motor Vehicle Excise
Tax Phase-Out***

This program reimburses cities and towns for the lost revenues previously generated from the motor vehicle excise tax. An exemption set by statute and reimbursed by the State reduces the assessed value subject to taxation and results in local taxpayer relief. The funding in FY 2004 is based on a \$4,500 exemption per vehicle. This program is subject to annual review and appropriation by the General Assembly.

Fiscal Year 2004 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	Public Service Corporation Tax	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2004 Total State Aid
Barrington	231,135	71,029	-	261,919	276,378	2,132,408	2,972,869
Bristol	805,267	421,492	-	349,905	75,665	1,066,390	2,718,719
Burrillville	610,782	76,977	-	245,988	61,881	1,864,694	2,860,322
Central Falls	1,346,364	20,649	182,474	294,762	63,470	1,093,393	3,001,112
Charlestown	346,368	-	-	122,387	39,137	354,624	862,516
Coventry	925,142	-	-	524,305	138,258	2,025,721	3,613,426
Cranston	3,293,070	2,611,611	-	1,234,440	479,014	9,218,514	16,836,649
Cumberland	1,066,990	81	-	495,838	183,570	1,938,303	3,684,782
East Greenwich	170,958	4,592	-	201,637	77,310	1,012,572	1,467,069
East Providence	2,199,505	63,139	-	758,208	430,627	4,691,653	8,143,132
Exeter	86,953	-	-	94,138	8,495	674,106	863,692
Foster	231,346	266	-	66,558	37,500	546,246	881,916
Glocester	442,583	-	-	154,918	57,839	818,359	1,473,699
Hopkinton	190,309	-	-	122,028	40,759	562,864	915,960
Jamestown	181,489	5	-	87,550	56,930	305,815	631,789
Johnston	2,005,534	-	-	439,075	117,925	3,691,284	6,253,818
Lincoln	576,973	-	-	325,440	151,390	2,074,788	3,128,591
Little Compton	89,477	-	-	55,953	22,962	203,840	372,232
Middletown	826,014	-	-	269,939	118,971	789,207	2,004,131
Narragansett	681,421	-	-	254,787	91,730	917,679	1,945,617
Newport	1,777,719	450,882	-	412,290	291,129	1,409,508	4,341,528
New Shoreham	71,842	-	-	15,728	67,411	61,778	216,759
North Kingstown	821,477	8,265	-	409,969	214,401	2,180,209	3,634,321
North Providence	1,896,989	385,144	-	504,730	155,319	3,624,952	6,567,134
North Smithfield	618,132	43,886	-	165,352	50,928	1,439,569	2,317,867
Pawtucket	4,489,289	311,780	1,324,945	1,136,160	309,373	7,573,162	15,144,709
Portsmouth	553,079	10,206	-	267,058	92,657	1,126,290	2,049,290
Providence	12,349,591	15,427,635	4,624,560	2,703,718	1,392,690	18,063,629	54,561,823
Richmond	162,451	426	-	112,467	24,792	546,406	846,542
Scituate	320,676	-	-	160,774	72,783	1,100,355	1,654,588
Smithfield	1,267,751	514,316	-	321,002	192,547	2,494,437	4,790,053
South Kingstown	928,599	123,224	-	434,808	148,885	1,489,266	3,124,782
Tiverton	523,533	-	-	237,641	59,477	962,480	1,783,131
Warren	416,119	-	-	176,907	43,788	800,409	1,437,223
Warwick	4,033,024	845,581	-	1,336,271	553,600	10,129,733	16,898,209
Westerly	447,076	149,941	-	357,645	98,381	2,102,452	3,155,495
West Greenwich	144,340	-	-	79,188	21,264	369,045	613,837
West Warwick	1,246,154	-	730,173	460,659	162,328	2,320,264	4,919,578
Woonsocket	3,050,545	174,990	671,181	673,119	190,936	3,909,078	8,669,849
Subtotal	51,426,063	21,716,117	7,533,333	16,325,260	6,672,500	97,685,483	201,358,756
Statewide Reference Library Resource Grant (Providence)					880,110		880,110
Library Construction Reimbursement					2,537,200		2,537,200
Motor Vehicle Excise Tax Reimbursement - Fire Districts						1,905,850	1,905,850
Motor Vehicle Excise Tax Reimbursement - Estimated Tax Roll Growth						4,746,552	4,746,552
Total	51,426,063	21,716,117	7,533,333	16,325,260	10,089,810	104,337,885	211,428,468

Education Aid to Local Units of Government

<p><i>FY 2004 Total Education Aid</i></p>
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Education Aid to Local Governments total \$739.0 million in FY 2004, an increase from the enacted FY 2003 budget of \$34.4 million, after adjusting out the Metropolitan school, and an increase from the revised FY 2003 budget of \$30.1 million.

The difference between the enacted and the revised FY 2003 budgets reflect adjustments: for decreased teacher retirement costs totaling \$.4 million; increased Capital Construction Aid of \$4.8 million; decreased textbook costs totaling \$151,000; and, decreased costs related to the exclusion of the Metropolitan school, \$4.0 million, from education aid calculations. The increase from the revised FY 2003 budget to the FY 2004 budget totals \$30.2 million in Education Aid to the local school districts, including \$1.2 million for the Central Falls School District. A number of other changes occurred including: increased school construction aid of \$2.5 million, and increased state teacher retirement costs of \$7.4 million

Increases in direct Education Aid from the FY 2003 revised budget occurs over a number of categories including: a) \$9.5 million in State Operations Aid, which includes the Literacy Set-aside; b) \$75,000 for Group Home aid directed to the communities where students are enrolled; c) \$390,000 for Full-Day Kindergarten; d) \$143,500 for Vocational school support; e) \$3.2 million for Charter School support; f) \$600,000 for Progressive Support and Intervention; g) \$10.0 million for Targeted Aid; h) \$103,000 for textbook expansion; i) \$700,000 for the School Breakfast program previously recorded in the Legislature's budget; and, j) \$24.7 million for Student Language Assistance. These increases were offset by the elimination of the appropriation in the Core Instruction Equity student investment fund. This totaled \$30.2 million.

In FY 2003, the Metropolitan Career and Technical School was included in the direct aid category. However in the FY 2004 budget, it was provided its own appropriation line with funding increasing from \$4.0 million in FY 2003 to \$5.8 million in FY 2004. This reflects the opening of schools on the main campus in South Providence. The following table displays the FY 2004 and FY 2003 revised Education Aid appropriation, with Teacher Retirement, School Capital Aid and other programs included in the total aid amount without distribution by community.

The Department of Elementary and Secondary Education records amounts categorized as local aid that are not included in the Education Aid program, but in the agency's Program Operations. The FY2004 budget these amounts total \$1.8 million. School Food Services account for the largest component at \$596,388. Other components include \$400,000 for the Coz's program, \$256,536 and \$197,040 for the instruction program and High School reform respectively, \$116,357 for a grant to the Department of Human Services for vocational rehabilitation, \$77,000 for teacher accreditation, and \$149,523 for legislative grants to local communities.

Education Aid to Local Units of Government

Local Education Authorities	FY 2003	FY 2004	Difference
Barrington	2,352,211	2,393,375	41,164
Burrillville	12,851,288	13,076,186	224,898
Central Falls	34,445,541	35,670,888	1,225,347
Charlestown	1,820,855	1,852,720	31,865
Coventry	18,556,464	18,881,202	324,738
Cranston	31,875,741	32,907,994	1,032,253
Cumberland	12,112,348	12,594,809	482,461
East Greenwich	1,765,450	1,796,345	30,895
East Providence	24,579,320	25,009,458	430,138
Foster	1,289,362	1,311,926	22,564
Glocester	2,943,574	2,995,087	51,513
Hopkinton	5,801,386	5,902,911	101,525
Jamestown	478,137	486,504	8,367
Johnston	9,962,918	10,137,270	174,352
Lincoln	6,835,988	6,955,618	119,630
Little Compton	320,227	325,831	5,604
Middletown	9,699,260	9,916,122	216,862
Narragansett	1,657,343	1,709,968	52,625
Newport	10,870,512	11,060,746	190,234
New Shoreham	86,319	93,128	6,809
North Kingstown	11,122,659	11,317,305	194,646
North Providence	12,235,439	12,449,559	214,120
North Smithfield	4,462,302	4,540,392	78,090
Pawtucket	60,024,534	61,074,964	1,050,430
Portsmouth	5,711,351	5,811,300	99,949
Providence	174,934,588	181,224,594	6,290,006
Richmond	5,729,717	5,829,987	100,270
Scituate	3,145,357	3,200,400	55,043
Smithfield	5,215,581	5,306,854	91,273
South Kingstown	9,598,923	9,766,904	167,981
Tiverton	5,457,594	5,553,102	95,508
Warwick	34,340,367	34,941,323	600,956
Westerly	6,146,521	6,284,205	137,684
West Warwick	18,643,537	19,275,597	632,060
Woonsocket	43,059,505	43,813,046	753,541
Bristol/Warren	18,853,809	19,183,751	329,942
Exeter/W Greenwich	7,092,069	7,216,180	124,111
Chariho District	352,610	360,305	7,695
Foster/Glocester	5,303,133	5,395,937	92,804
Subtotal	\$621,733,840	\$637,623,793	\$15,889,953
Teacher Retirement	38,072,353	45,448,832	7,376,479
Capital Construction	38,232,355	40,747,193	2,514,838
On-Site Visits	407,935	407,935	
Program Support & Intervention	500,000	1,100,000	600,000
Professional Development	120,000	120,000	
Textbook Expansion	222,000	325,000	103,000
Hasbro Children's Hospital	100,000	100,000	
Direct Aid-Charter Schools	9,485,269	13,111,907	3,626,638
Subtotal	87,139,912	101,360,867	14,220,955
Total	\$708,873,752	\$738,984,660	\$30,110,908